DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

SECOND SESSION—NINETEENTH PARLIAMENT

4-5 GEORGE VI, 1941

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OTTAWA
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PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1941

CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, February 27, 1941.

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FOREIGN EXCHANGE—INTEREST AND DIVIDENDS PAID TO NON-RESIDENTS

Mr. HARRIS (Danforth):

What amount of United States exchange was provided by Canada in each of the years 1938, 1939 and 1940 for the payment of—(a) interest on investments in Canada held by investors outside of Canada; (b) dividends earned in Canada and paid to non-residents?

Mr. MacKINNON (Edmonton West):

(a) Interest payments in terms of Canadian dollars on Canadian bonds and debentures held by non-residents:

Total to non-residents—1938, $139 million; 1939, $136 million; 1940, not yet available.

To residents of the United States—1938, $84 million; 1939, $84 million; 1940, not yet available.

(b) Dividend payments in terms of Canadian dollars paid to non-residents by Canadian companies:

Total to non-residents—1938, $176 million; 1939, $174 million; 1940, not yet available.

To residents of the United States—1938, $141 million; 1939, $138 million; 1940, not yet available.

TRANS-CANADA AIR LINES—PURCHASE OF AEROPLANES

Mr. JACKMAN:

1. How many aeroplanes have been added to the Trans-Canada Air Lines since December 31, 1939?

2. What was the total cost?

3. Where were they purchased?

4. How many of the aeroplanes were airliners?

Mr. HOWE:

1. Six.

2. Total cost, including radio, $925,316.85, of which sum $260,398.62 represents duty and sales tax paid to the Canadian government.

3. United States.

4. All six are Lockheed "Lodestar" 14-passenger transport aeroplanes.

RENTAL OF PROPERTY IN SAINT JOHN, N.B.

Mr. HAZEN:

1. Has the government rented the Golden Ball Garage on the corner of Union and Sydney streets in the city of Saint John?

2. If so, from whom was it rented?

3. (a) Did it rent the whole building? (b) If not, how much of it?

4. For how long a period?

5. What rent does it pay?

Mr. RALSTON:

1. A portion of the building has been occupied for the purpose of ordnance services and the terms of occupancy are under negotiation.

2. See answer to No. 1. General Realty Co., Ltd., Saint John, N.B., are understood to be the owners.

3. See answer to No. 1. The portion occupied is four floors, comprising 55,000 sq. ft.

4. See answer to No. 1. The period for which required will probably be six months.

5. See answer to No. 1.

NATIONAL DEFENCE—SELECTION BOARDS

Mr. COCKERAM:

1. Who are the members of the Senior Selection Board of the Department of National Defence?

2. Who are the members of the Junior Selection Board of the Department of National Defence?

3. What are their qualifications for this important position?

4. Have they the power to override recommendations made by district officers commanding?

Mr. RALSTON:

1. The Chief of the General Staff, the Adjutant-General, the Quartermaster-General, the Master-General of Ordnance.

2. The Director of Staff Duties, the Director of Military Training, the Director of Personal Services, the Director of Organization.

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3. Qualified by their training, experience and the qualifications which they possess for and the responsibilities attaching to their respective appointments.

4. All recommendations received from district officers commanding and other sources are placed on a staff list. The committees consider this list and, based on all round qualifications, submit nominations therefrom for consideration and approval of higher authority.

WEYBURN, SASK., CENSUS COMMISSIONER

Mr. DOUGLAS (Weyburn):

1. Who has been named census commissioner for the federal constituency of Weyburn?
2. By whom was he recommended?
3. Is he a great war veteran?

Mr. MacKINNON (Edmonton West):

1. D. J. Mitchell, Weyburn.

2. By the Minister of Trade and Commerce after consultation with his colleague the minister from Saskatchewan.

3. He is an ex-service man.

GASPÉ AND MAGDALEN ISLANDS CENSUS OFFICERS

Mr. ROY:

1. Who recommended to the Hon. Minister of Trade and Commerce Messrs. Terrence Pigeon of Gaspé, and Louis-Marie Keable of Ste-Anne-des-Monts, as chief census officers for the counties of Gaspé and Magdalen islands, respectively?

2. What are the dates of these recommendations?

Mr. MacKINNON (Edmonton West):

1. The Minister of Trade and Commerce recommended to the Dominion Statistician that Terrence Pigeon of Gaspé and Louis-Marie Keable of Ste-Anne-des-Monts, be appointed chief census officers for the counties of Gaspé and Magdalen islands respectively, after consultation with his colleagues in the cabinet from the province of Quebec.

2. December 27, 1940.

PORK AND POTATOES—PRICES TO PRODUCERS

Mr. LACOMBE:

1. What was the average price for pork paid to the producer in each month in 1939, 1940, and 1941 to date?

2. What was the average price for potatoes paid to the producer during the same periods?

Mr. MacKINNON (Edmonton West):

1. Hogs: Weighted average prices at all markets, 100 lbs.

	1939	1940	1941
January	$8.94	$8.79	$10.69
February	9.23	8.79	
March	9.21	8.79	
April	8.55	8.28	
May	8.33	7.73	
June	8.81	7.65	
July	8.84	7.82	
August	7.86	8.01	
September	8.64	8.57	
October	8.39	11.56*	
November	8.48	10.63	
December	8.62	10.55	

*From October, 1940, prices quoted are for dressed weight.

2. Weighted average price received by producers for potatoes per 100 pounds.

Crop year	
August, 1938, to July, 1939	69 cents
August, 1939, to July, 1940	1.13 cents
August, 1940, to December, 1940	79 cents

QUESTIONS PASSED AS ORDERS FOR RETURNS

APPOINTMENTS TO THE PUBLIC SERVICE

Mr. DIEFENBAKER:

1. How many employees have been added to the public service of Canada since the outbreak of war?

2. Of these how many are (a) permanent employees, (b) temporary employees?

3. Of these how many were appointed (a) by the civil service commission, (b) under order in council?

FOREIGN EXCHANGE—VEGETABLE OILS

Mr. CARDIFF:

1. How many dollars United States exchange were issued to shortening and soap manufacturers for the purchase of vegetable oils in the calendar year 1940?

2. What quantity of vegetable oil mentioned in the first question was imported into Canada?

ALLOWANCES TO DEPUTY MINISTERS

Mr. DIEFENBAKER:

1. Are any of the deputy ministers in receipt of a per diem allowance or expense account in addition to salary?

2. If so, who, and what is the amount per day?

AID TO MATAPEDIA-MATANE, QUE., FISHERMEN

Mr. ROY:

1. Has the government, directly or indirectly, during 1939 or 1940, made any grants in kind or in cash to the needy fishermen of the county of Matapedia-Matane?

2. If so, who was in charge of the distribution and what kind of grants were made?

3. Through the agency of what merchants, and for what amounts in each case, was the distribution made?

4. What are the names and the amounts paid in each case to the fishermen of Grosses-Roches, Ste-Felicite, Matane, Riviere Blanche, Baie-des-Sables, Les Boules, Metic, Grand Metis and Ste. Flavie?

5. What are the names of the fishermen in each of the parishes aforesaid who received deficiency payments through the medium of the salt fish board during the years 1939 and 1940, and what amount was paid in each case?

6. What was the total amount paid by the salt fish board, and by the government, to the fishermen of the above county during the said years?

PRAIRIE FARM ASSISTANCE—REGINA EMPLOYEES

Mr. PERLEY:

1. How many office employees are there in the city of Regina under the Prairie Farm Assistance Act?

2. What are their names, home addresses, positions, salaries and expenses, respectively?

3. How many have been employed under the Prairie Farm Assistance Act since the 1st of July last, (a) in field service; (b) inspectors, (c) supervisors; and what are the names, home addresses and salaries and expenses, respectively, of these persons?

THETFORD MINES, QUE., MILITARY TRAINING CAMP

Mr. LAFONTAINE:

1. During the year 1940 were any requests made to the government for the establishment of a military training camp at Thetford Mines, county of Megantic-Frontenac?

2. If so, by whom were these requests made, when, and for what reasons were they not granted?

DEFENCE OF CANADA

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER AND REVIEW REGULATIONS AND NATURALIZATION AND DEPORTATION LAWS

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

Whereas order in council P.C. 2483 was passed under the authority of the War Measures Act on the 3rd September, 1939, making regulations known as the defence of Canada regulations;

And whereas the said regulations have been amended from time to time;

And whereas by order in council P.C. 4750 of the 12th September, 1940, the said regulations were revoked and the defence of Canada regulations (consolidation), 1940, numbered one to sixty-four inclusive, were made and established in substitution therefor;

And whereas since the 12th day of September, 1940, several orders in council have been passed amending, altering or adding to the said substituted regulations;

And whereas at the last session of parliament a select committee of this house was appointed on the 13th June, 1940, to consider and review the said defence of Canada regulations made on the 3rd September, 1939, and amendments thereto;

And whereas the said committee reported to this house on the 1st August, 1940, and amongst other things recommended, in effect, that at the next session of parliament a special committee of the house be appointed to again consider and review the defence of Canada regulations; to consider and review the law relating to naturalization and to review as well the law relating to deportation;

And whereas it is deemed advisable that a committee of the house be appointed accordingly to ascertain whether the defence of Canada regulations (consolidation), 1940, and amendments thereto and the law relating to naturalization and deportation reasonably meet the requirements of the country in time of war;

Therefore be it resolved that a select committee of this house consisting of the following members: Messrs. Bertrand (Laurier), Black (Yukon), Claxton, Coldwell, Dupuis, Hansell, Hanson (Skeena), Hazen, Martin, Maybank, McKinnon (Kenora-Rainy River), Michaud, Ross (Calgary), Ross (Souris), Slaght, be appointed to consider and review the defence of Canada regulations (consolidation), 1940, and amendments thereto, and the law relating to naturalization and to review as well the law relating to deportation; with power to send for persons, papers and records; to examine witnesses under oath; and to report their opinions and observations from time to time to the house.

Mr. M. J. COLDWELL (Rosetown-Biggar): Before the motion is adopted I should like to make a few observations regarding it.

I want to say at the outset that we welcome the appointment of this committee. A similar body was established last session. It met many times, and presented a report which was not moved at the time, and therefore not adopted. As one member of that committee who was not satisfied with all the recommendations made, I was disappointed that there was no opportunity for the discussion of the regulations and of the report before the regulations were further amended. I feel that, in their present form and under the present methods of their administration, many of our elementary democratic rights are being jeopardized.

Neither I nor any member of our group would suggest that subversive activities interfering with our success in the present struggle should be permitted or tolerated for a moment. On the other hand, we insist that every accused person, every accused organization, and—may I add—every accused newspaper ought to have the right of a proper hearing before an impartial and competent tribunal. Further, we believe that a decision from such an authority set up under the defence of Canada regulations at the present time should be equally binding upon the accused and upon the Department of Justice unless some further method of appeal to an impartial tribunal is provided. As the regulations now stand, this is not the case, as I shall try to show in a very few moments.

As a member of the committee which sat last year, I and some others tried to amend the regulations to safeguard our democratic rights of citizenship. Of the many changes we suggested then, I still regard those seeking to enlarge the number of an appeal committee to at least three persons, one of whom holds high judicial office, as the most important. At the present time one person, on evidence supplied by the accuser, alone makes a decision which may involve a long period of incarceration for the accused. Even then the decision of the appeal committee is not final; for the Department of Justice may or may not accept a recommendation and act upon it.

A week ago yesterday the Minister of Justice (Mr. Lapointe) tabled his report of the action taken under the regulations from November 1 to February 17. The report alarmed me, because it showed that the committee, a judge in this case, after reviewing the evidence contained in the police files, recommended the release of twenty-four persons and the Department of Justice refused to accept the recommendation in nine of these cases. The sweeping, undemocratic power vested in the minister under regulation 21 is clearly demonstrated in a judgment of Mr. Justice Hope of Ontario dated January 9 and reported on page 49 of the *Ontario Weekly Notes* of February 7, 1941. The learned judge had before him an application for a writ of habeas corpus from J. A. P. Sullivan, president of the Seamen's Union, who was interned on June 18, 1940. As we all know, the right of habeas corpus has been for many centuries a fundamental right of the entire British judicial system. It is the cornerstone of British democratic justice. On several occasions I have stated that regulation 21 abolishes this right of habeas corpus. The judgment of Mr. Justice Hope fully substantiates this view.

The first point which emerges from the report of the judgment as it appears in the *Weekly Notes* is that, when Sullivan asked for the reasons for his internment, he was merely told the following, and upon it he had to base his appeal. I quote from the *Ontario Weekly Notes* of February 7, page 50:

> Your detention has been deemed necessary in the interests of the state because representations have been made that you are a member of the communist party of Canada, a subversive organization which is opposed to the interests of Canada. In view of this, it would appear that you are disloyal to Canada.

Can anyone in this house suggest that this information constitutes sufficient particulars upon which an accused person may base an appeal? Suppose that Sullivan denies, as I believe he does, that he is a member of the communist party; how can he prove it if all he is told is that representations have been made that he is a member of the communist party? I admit quite readily that under present war conditions ordinary court procedure may have to be set aside on the ground that it may not be feasible to produce the plainclothes officers who are checking subversive activities. But surely the accused or his counsel should have access to the written accusations against the detained person. Such particulars as dates when the accused is alleged to have joined the subversive organization or was actually at its meetings or serving in some subsidiary organization ought to be furnished in order that a proper trial may be proceeded with. Unless some such information is accessible to the accused, provision for review under regulation 22 is largely a mockery. The important point in this connection is that the judge held that the matter of particulars is—

> . . . a discretionary matter for the committee. It is not subject to the review or direction of the court.

On the matter of writ of habeas corpus itself, the court held that internment under regulation 21 is—

> . . . a matter which is discretionary with the minister in his administrative capacity and is not subject to the review of the courts.

But the judge goes further than that. He decides that a Canadian citizen interned under regulation 21 becomes "a prisoner of war" and therefore concludes that all of this—

> . . . precludes the granting of a release under writ of habeas corpus herein, without the consent of the director or internment operations.

Thus, if the court should grant the writ, it could not order the release without the consent of an officer appointed by the Department of National Defence whose duties are not concerned with the reasons for internment but with the proper administration of the camps. Surely that procedure violates the principles of British justice. In my opinion it is fantastic.

Let me summarize the situation as I see it in the light of the judgment to which I have referred. First, the minister, on the advice of the police, orders an internment. Next, the right of writ of habeas corpus is abolished. Next, the courts cannot interfere. For, next, if they did, another administrative officer, the director of internment operations, has power to detain in spite of the courts. And lastly, the review committee, one man, functions under regulations which make it impossible for the accused to put up an adequate defence and have a proper hearing; and even if the committee decides that an internee should be released, the minister can still refuse to follow its advice. In short, all power from start to finish is vested in the minister, his police department and his legal advisers.

Surely this is the antithesis of British and Canadian democracy. Even the special committee of which I was a member last session was denied access to any files or other documents relating to internments, although the reference gives us some rights in regard to the production of papers.

Now what does all this mean? It means that the police detain and intern a British subject on grounds which seem satisfactory to them. A judge examines this evidence, which the accused has no opportunity of rebutting, and recommends his release. The minister, acting on the advice of his department, including the police who originally made the investigation and laid the charge, refuses to release the person in spite of the judge's recommendation. This is surely a most dangerous situation. The department and the police accuse and detain. The committee, a judge, reviews and recommends release. But the final decision rests with the accuser. This, I submit, is a reversal of all democratic procedure which ought not to be allowed to continue.

The report of the Minister of Justice to which I have referred, presented to the house a week ago, itemizes the detentions since November 1 under the headings Germans, Italians, Communists and National Unity party. I wonder how the released are itemized, and particularly how the nine who were not released were catalogued.

Last week I had occasion to draw the attention of the minister to an article by Commissioner S. T. Wood of the Royal Canadian Mounted Police in The *Canadian Spokesman*. On February 19 the minister stated that the article clearly represented conditions as they exist in Canada according to the records of the Royal Canadian Mounted Police. The gist of the article to which I refer is contained in this paragraph:

> Many may be surprised to hear that it is not the nazi nor the fascist but the radical who constitutes our most troublesome problem. Whereas the enemy alien is usually recognizable and easily rendered innocuous by clear-cut laws applicable to his case, your "red" has the protection of citizenship, his foreign master is not officially an enemy and, unless he blunders into the open and provides proof of his guilt, he is much more difficult to suppress. Since communism was outlawed, most of his work is carried on under cover of other organizations and associations pretending to be, or in reality loyal to the constitution.

Make no mistake about this: I have nothing but the utmost contempt for communist activities in relation to the war. Make no mistake about it. Nor, I suppose, is there any group in the house which is more frequently denounced and consistently undermined by the communist party and their fellow travellers than the group to which I belong. But let me add this, that no matter what the opinion of an individual may be, under our British democratic rights of citizenship, every one of our citizens ought to be entitled to plead his cause and to have a fair and impartial trial.

I said a moment ago that I had nothing but contempt for the communist party. For after years of propaganda, demanding that the democratic nations stand firmly against Hitler and fascism, they first supported the declaration of war in September, 1939, and then, a few weeks later, because it suited Russian foreign policy, they denounced as an imperialist adventure the war which they had urged. Nevertheless, to say that communist activities are more dangerous to democratic institutions than those of fascist and nazi sympathizers is surely to fly in the face of recent history. It was this attitude of mind that allowed the war to steal upon us. It was this attitude of mind which brought about the arrest of the communist leaders in France but let the fascist sympathizers obtain power and then betray her. The views expressed by Commissioner Wood in that regard are the views which destroyed collective security, encouraged the rise of Hitler, and, through the long period of appeasement, brought us to the present crisis in our history.

Let us remember that the present struggle is not between nations as such, or imperialisms as such, but between two conflicting ways of life. As J. B. Priestley has said, we are fighting not only nazism in Germany but the same set of ideas when they are held by people who speak the English tongue and are of British stock. The statement of Commissioner Wood, approved by the department, shows an entire failure to grasp the implications of the present war and the situation generally. Commissioner Wood says, "the radical is the problem." How does he define that term?

Last session the hon. member for North Battleford (Mrs. Nielsen) complained that copies of her speeches, entitled "Why I Oppose the Budget," had been seized. I was not clear whether they had been seized as such, or among communist or other subversive literature. I therefore made some inquiry and found that at Regina they were the only pamphlets seized. No other pamphlets were taken from the hall. The officer gave his receipt, dated October 3, 1940. I have a copy of it. It reads:

> Received from W. Browne, secretary workers protective organization, quantity of papers headed "Why I opposed the budget", accepted for purposes of inquiry.
>
> Woodward, R.C.M.P.

The pamphlets consisted, I understand, of extracts from speeches made by the hon. member in this house.

Last Wednesday the Minister of Justice (Mr. Lapointe) stated that the commissioner never intended to say anything that would reflect on the rights and duties of members of parliament. We in this house have certain rights and privileges, which we should guard jealously. It may be that in this article there was no reflection upon members of parliament, but the seizure of pamphlets circulated by the hon. member for North Battleford, and being simply extracts from speeches she made in this house, is a serious interference with the privileges of this house and this parliament which ought not to be tolerated by the members of this house, no matter where they sit. I suggest to you, Mr. Speaker, that it is for you to judge whether an hon. member transgresses or exceeds his rights here, and not for the mounted police.

Having placed this matter before you I am asking that it be given some consideration. At the same time I ask the Minister of Justice, when he has time, to explain this action to the house.

Now compare the statements of the hon. member for North Battleford with statements that were made, let us say, in the Ottawa *Citizen* of January 11. That paper contained a long editorial entitled "At the Business End of the Bren." The concluding words were these:

> When the lads come home from overseas after some years of service at the real business end of the Bren gun, they may know better where to shoot than Canadian veterans did in the years of debt and privation after the last war.

Was there ever a clearer case of incitement to men in uniform when they return from overseas to use force to obtain what they were after? I believe in the freedom of the press and freedom of speech, but the government adopted regulations under which men have been prosecuted and interned for far less than this. Justice, if it is to be justice, must be impartial. What has been done by the attorney general of Canada, to whose attention I drew this editorial, or by the attorney general of Ontario, whose attention I have reason to believe was also drawn to it by someone else?

Yesterday we had the Minister of Munitions and Supply (Mr. Howe) tell us in the house that a newspaper, the *Financial Post,* was number one saboteur in Canada.

Mr. TURGEON: When the minister said that was he speaking of sabotage against Canada or against H. R. MacMillan?

[Mr. Coldwell.]

Mr. COLDWELL: I understood he was speaking of Canada, because he said that that paper right from the beginning had endeavoured to stop the production of Bren guns. That was long before Mr. MacMillan was connected with the department.

Mr. TURGEON: I think when he made that statement about sabotage he was referring to Mr. MacMillan.

Mr. COLDWELL: I hold no brief for any of the papers that have been suppressed; I hold no brief for the *Canadian Tribune,* which has been suppressed this week, but I agree with the Right Hon. Sir Percy Harris, of Bethnal Green South West division, a Liberal member of the British house, who when two communist papers were recently suppressed in Great Britain made this statement when he seconded the amendment condemning that suppression:

> It would be a very bad day for parliament and democracy if a paper could be closed down without discussion in the House of Commons.

Yet these things are being done without the knowledge or consent of this house.

I believe that the greatest threat to a successful conclusion of this war does not come from the discredited communist party, which has been revealed in its true colours as the agent of a foreign power, but from persons in high places who fear the progressive aspirations of the common people more than they fear the thing we call fascism. Was not that the story of France, and of the traitorous conduct of influential people in other fallen nations?

What I have said to-day ought to be said. The danger to democracy and progress is within our gates as well as without. And we are looking in the wrong places for the most dangerous subversive influences, I submit. When our mounted police turn their eyes to seek those who sympathize with the dictatorships, let them look above the gutter and the beer parlour, then perhaps they will find where the real danger to our democratic institutions lies.

There are subtle ways of defeating our cause. In Britain they know for what they fight. There they do not fear the so-called radical; they fear more those who through the years looked to Hitler as their protection against the will of the people. In support of that statement let me say it is significant that in Great Britain they have not bothered with the communist leaders, indeed they have only just lately suppressed the communist daily newspaper. But they have put in an internment camp a member of parliament—not a Labour or a communist member, a Conserva-

tive member of the house. They have put into internment camps men in high places, because they know that the real danger to democratic institutions in Great Britain came not from below but from those in high places who could use their influence to defeat the aims of the common people. Such statements, for example, as were made by Senator Meighen at a public function in Toronto or in another place, are subversive statements, among the most subversive I have seen. The statement in the Ottawa *Citizen* is more dangerously subversive than anything I have seen in any so-called radical or communist paper published in Canada.

I support the setting up of this committee and the broad reference made to it. But I feel it is my duty to take this opportunity of laying before this House of Commons the dangers which I see in the present regulations and their administration.

I should like to quote the material part of the resolution which was seconded by Sir Percy Harris, the Liberal member to whom I referred. It was moved by Mr. Bevan, a Labour member of the house. In part the resolution uses these words, which express my idea exactly:

> That this house expresses its detestation of the propaganda of the *Daily Worker*—

That was the communist newspaper in England.

> —in relation to the war, as it is convinced that the future of democratic institutions and the expanding welfare of the people everywhere depend on the successful prosecution of the war till fascism is finally defeated; but is of the opinion that the confidence of considerable numbers of people can be undermined if it can be shown to them that any newspaper can be suppressed in a manner which leaves that newspaper no chance of stating its case—

That which applies to a newspaper applies equally to an individual.

Mr. LAPOINTE (Quebec East): Has my hon. friend read the speech of Mr. Herbert Morrison?

Mr. COLDWELL: Yes; and I would agree with his characterization of the *Daily Worker* and its propaganda; but I say that in this country it is a blot on our democracy that the only information given to people who are detained under regulation 21 is that which I quoted once before:

> Your detention has been deemed necessary in the interests of the state because representations have been made that you are a member of the communist party of Canada, a subversive organization which is opposed to the interests of Canada. In view of this, it would appear that you are disloyal to Canada.

That, I say, is insufficient evidence upon which an accused person may contest any case.

Just before I sit down I should like to refer to the suspension of the *Canadian Tribune,* in regard to which I have received a number of telegrams. I understand that this newspaper has been suspended simply on verbal notice from the police.

Mr. CASGRAIN: I may tell my hon. friend that regular notice was duly served on that newspaper on February 25, after verbal notice had been given.

Mr. COLDWELL: I had no knowledge of that fact. I am glad to hear the Secretary of State (Mr. Casgrain) make that statement, and perhaps a little later he will have something further to say about the matter. It seems to me, however, that when a newspaper is suspended we should know the reasons for that suspension; whether or not it was guilty of some contravention of the law and in what particular, and why, if it was guilty of a contravention of the law, it was not taken into court. In contrast may I suggest that if the *Financial Post* has been the number one saboteur, surely it should have been proceeded against as was the *Canadian Tribune;* and if the statement I have quoted from the Ottawa *Citizen*—and that was a correct statement from the editorial—having been brought to the attention of the authorities, was subversive, as I believe it was, then some action should have been taken in that regard. If we are going to have regulations let them be administered impartially, without regard to who breaks the regulations. Then we shall feel that at least an attempt at justice is being made.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, may I say first that in the task which is mine, that of exercising a discretion which at times is far from pleasant, I am merely doing the work that has been entrusted to me by parliament, and more particularly by a committee which last year sat especially for the purpose of considering and revising these regulations. I was not a member of the committee. I intentionally refrained from being a member, in order that the decisions of the committee should not be influenced in any way by what I might have to say. Neither will I be a member of the committee which is to be appointed under the resolution now before the house. I will do my duty if, when that committee reports, new regulations are enacted amending the old ones. I will apply those regulations with calm, with deliberation, with circumspection; but I will apply them, whatever may be the criticism.

Are restrictions necessary in time of war? This is the first question, and hon. members must not forget that we are engaged in a life and death conflict. Are restrictions necessary which should not exist in ordinary times? If the answer is in the affirmative somebody has to be entrusted with the duty of applying those restrictions. If the person or authority or body entrusted with that duty does not deserve to be entrusted with it, has not the confidence of the community, then change him; put in somebody else who will command the confidence of the people. But the restrictions must remain, because they are a necessity in war time. My hon. friend says it is a terrible thing that in nine cases the Minister of Justice has declined to accept the recommendation of the committee, composed of one judge, for the release of an interned person.

Mr. COLDWELL: The principle is wrong. I am not criticizing the minister.

Mr. LAPOINTE (Quebec East): Then why give the discretion to the minister? Is he a rubber stamp?

Mr. COLDWELL: He should be bound by the recommendations.

Mr. LAPOINTE (Quebec East): That is entirely contrary to the whole principle of the matter. In a case of this kind the discretion of the Minister of Justice is a matter of public policy, not one of strict law. It should be so, and it is so everywhere else.

Perhaps it is better that I should give the four stages through which these matters go. Before a man is recommended for internment the police have gathered all the particulars concerning him, and there is a record of his activities. This is submitted to a legal man, who is counsel for the police. In the district of Montreal it is Mr. Fauteux, chief crown prosecutor, a very able legal gentleman. After he has passed on the case—and the man is at liberty while all this is being done—the matter is sent to a committee on which Mr. Robertson, now acting Under-Secretary of State for External Affairs, and Mr. MacNeill, are sitting. These men consider the facts, before they are submitted to me for an order for internment. Some precautions therefore are taken. Then if the man is a British subject he has the right of appeal, and the appeal is heard by the committee which, by the way, was selected by the parliamentary committee which sat last year as the proper authority to act in the matter. The committee sends the recommendation to the Minister of Justice. The Minister of Justice must then use his discretion. My hon. friend says he should not have that discretion. That will be for the committee to decide. I do not want even to discuss the matter too strongly; I merely point out that I disagree with my hon. friend in this respect. There are things with which the secret service of the Royal Canadian Mounted Police and the Minister of Justice are acquainted which could not be given out.

My hon. friend complained that last year the committee could not get production of everything it wanted. Well, we must act on communications which come to us from foreign governments, to say nothing of those which come from our secret agents. Those communications should not be made known to the community, otherwise their work would be shattered and useless.

These things we know; and if in my own view, according to my own conscience and after consultation with those charged with keeping order in Canada at this time, I come to the conclusion that in the public interest and for the public safety of the country it is better to keep that man inside, then I will keep him inside.

My hon. friend criticized the commissioner of the Royal Canadian Mounted Police for having said in his article that at the present time the communists are those who give the police the most trouble. Well, Commissioner Wood was saying exactly what conditions are, according to his own experience. My hon. friend will understand that conditions are not the same in respect to all. Alien enemies are interned—or, if they are not interned, I may tell you that those who are not are good boys and are keeping peaceful.

On the other hand we are flooded all the time with communist circulars. In spite of the fact that many of their organizations and printing presses in Montreal have been confiscated and destroyed, they have found a way of continuing to print subversive literature of all kinds. My hon. friend has said that the communists do not like his group. I may tell him that they do not like me, either; I am usually the target of those people in their dirty literature which is being circulated in Montreal, Quebec and elsewhere. They are doing the same at other points, and they are a good deal more active than some others.

It is not a question of deciding whether fascist or nazi ideals are worse or better than communist ideals. That does not enter into the consideration of the matter. It is a fact that most of those who are making trouble at this time are the men the commissioner of the mounted police described in his article.

My hon. friend criticized the inaction of the department with respect to the article in

the Ottawa *Citizen*. My hon. friend sent me that article, not very long ago. I may tell him that he is right. It was a subversive article which was published by the Ottawa *Citizen* on that date, and I may tell him that they will have to answer for it before the courts of the country.

Mr. HANSON (York-Sunbury): What does the minister mean by that?

Mr. LAPOINTE (Quebec East): I may wait a little, because some evil-minded people may think that it would be because of their editorials regarding myself that I would act now. But this is certainly an article which is subversive, which is an appeal to disorder and to trouble, and my hon. friend is right in denouncing it. I assure him that something will be done in the matter, if this has the effect of satisfying him.

I do not know very much about the *Canadian Tribune*. People seem to be under the impression that censorship is under the Department of Justice. It is not. The censors are under the Secretary of State. For a time I had the pleasure of closing a couple of newspapers, but on that occasion I was acting Secretary of State, and it was in that capacity I proceeded.

I am pleased my hon. friend did not use the commonplace argument or absurdity that Canada is fighting to save democracy in Europe and to destroy it here. That is the argument we read in some newspapers, and it has been used on platforms on different occasions. Of course it is an absurdity. We have enforced these restrictions not to destroy but to protect democracy. We have enforced them to keep and to preserve it. Essentially they are only temporary. They are operative in a state of emergency, and they will disappear as soon as we have peace and victory, as we hope to have some day. But those restrictions are there to control people who would do nothing to help Canada in her war work, and to prevent them from doing anything which would impede that work. That is the reason for the restrictions. I believe they serve a useful purpose. Our soldiers and sailors and airmen are subject to restrictions a great deal more severe than those contained in the defence of Canada regulations, and they do not complain. Surely our airmen and our sailors, who are willingly risking their lives every day on destroyers and other craft, have a right to expect that we in the parliament of Canada will prevent people from stabbing them in the back while they are fighting for us.

That, Mr. Speaker, is the purpose and the reason for these restrictions, and I am sure that my hon. friend himself (Mr. Coldwell) would be the last to propose that they should be done away with. He wants to modify them and to be sure that they are applied more fairly, and he will have his opportunity before a committee of the house. I shall accept the new regulations if changes are made, and apply them with the same force and vigour and circumspection as I do to-day, using my best discretion in their application.

So far as the trade unions are concerned, it has been stated over and over again that trade unionists have been interned under the defence of Canada regulations. But that is not so. Some people who were members of a trade union have been interned, not because they were trade unionists, but because they were communists, because they had acted for the communist party, because they had exercised their activities to spread communist ideas. Why, Mr. Speaker, the trade unions themselves in some cities of Canada have been compelled to expel members from their ranks because of such activities. We know from our records in the secret service that instructions have been given to their members by the heads of the communist party to join other associations and organizations to try to spread their ideas and to sabotage the war effort of Canada. They were even instructed to join the army. Everybody knows that one man wearing his majesty's uniform was arrested last year for distributing communist literature on the streets of Ottawa. We have to protect Canada against that sort of thing, and the fact that some of these men are members of trade unions surely should not protect them against the laws of the country and the regulations.

I believe, sir, that we have applied the laws and regulations with calmness and discretion. We have not yielded to hysteria. As a matter of fact the hon. member for Rosetown-Biggar will remember that for a long time in this house I was under attack on the opposite ground, that I was too lenient, that subversive activities were going on in Canada and that I was doing nothing to check or prevent them. But now it seems that the criticism comes from the other extremity. Under these circumstances I must have struck a pretty fair average, and one criticism helps me to answer the other.

I have said what I wanted to say on this matter. I wish to impress on the house the extreme difficulty of the work we have to do, and its extreme importance. I ask the house to give me its confidence as long as I am the one designated to do this work, for without that confidence I could not fulfil my duties. I hope that at least I shall be satisfied in my own mind that I have done my best to serve my country in this time of war.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I had not intended to intervene in the debate on this resolution except with respect to the two new subjects which are to be referred to the committee, naturalization and deportation, and upon that I intended to make some inquiry.

I have listened attentively to the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell) and also to the reply that has been given by the Minister of Justice (Mr. Lapointe), and I am bound to say that in my view the Minister of Justice has correctly stated the principles that should guide him. So far as we are concerned on this side of the house we believe in the necessity of restricting the liberty of the subject in time of war, and if we accept that principle we cannot do anything else but support the general view which the Minister of Justice has given to the house. That principle is based on something else. It is based on the theory that we must preserve the safety of the state. In times of peace British justice stands on a different principle. Any man charged in a British court of justice is deemed to be innocent until he is proven guilty. But owing to the necessities of war time and the standards we believe in, the principles which have been laid down in the defence of Canada regulations and those in England, that position must of necessity be reversed.

Parliament in its wisdom passed the War Measures Act. Is there anyone who will say that we should not have the War Measures Act? I admit at once that unless the extraordinary powers therein contained are exercised with great care and skill and judicial ability there may be abuses. I would suppose that as those administering these regulations are human, and therefore fallible, mistakes may be made, but on the whole in time of war I do suggest that we must subscribe to the principle that the constituted authority delegated by parliament itself must be upheld.

I myself have had some qualms of conscience with respect to the suspension, in effect, of the writ of habeas corpus. Recently I have been doing some reading of British history in the time of the Hanoverians, and I call to the minds of hon. members the position as it was in, I believe, 1802—I am not quite sure of the date—when Pitt the younger was the Prime Minister of England and the Napoleonic wars were on. He suspended the writ of habeas corpus. Conditions in England at the present time, and to a lesser degree here, are analogous to those which then prevailed. At that time there was the danger of invasion; to-day there is a much graver danger. I do not believe there was nearly as much danger then from what we now term the activities of the fifth columnists as there was in England prior to 1940. But, because of the principle of the safety of the state, Pitt had parliament pass an act suspending the writ of habeas corpus. And there is a curious corollary of that action, because the people of England raised a great outcry against the taking away of this sacred right, the principle of which comes down to us from the days of magna charta, and the parliament of England had to reverse the position.

Now, under these regulations and under the authority of the War Measures Act parliament has delegated certain duties and certain discretions to the Minister of Justice (Mr. Lapointe). I have had some misgivings about vesting in any one man, no matter how good, how conscientious, how upright or how capable he may be, the sole authority of exercising this discretion. But it is there, and it is the law of the land, and until parliament changes it the Minister of Justice must exercise that judicial discretion which is vested in him. It is a principle of law with which, I believe, hon. members of the legal profession will agree, that in the exercise of a legal discretion no court will interfere unless there is a clear lack of jurisdiction or a clear excess of jurisdiction. I think that is fundamental.

I am curious to know what the right hon. gentleman contemplates in the way of court action against the Ottawa *Citizen*. I read the article and I thought it was more than a borderline case; it seemed to me that it was really an incitement to force. I was astonished to see it, coming from the source it did. I did not think it was my duty to call the attention of the mounted police or the Minister of Justice to the Ottawa *Citizen*. I was quite sure that they would be fully conversant with the situation and that the police and the Department of Justice would be capable of handling it. But I am curious to know what sort of court action the minister contemplates at a later time against the Ottawa *Citizen*: I have been cudgelling my brain to determine from my knowledge of the law what action he could take against it.

Mr. LAPOINTE (Quebec East): I must say that I am hesitating as between two courses.

Mr. HANSON (York-Sunbury): If the minister would be good enough—not now necessarily, but at a later stage—to enlighten us, I am sure it would be a very interesting chapter in the history of Canada. I am not going to say anything more about that.

I have had the opportunity of looking over the decision of Mr. Justice Hope in the

Sullivan case. I think his decision is based on legal principles. I thought when that case first arose that the writ would issue but that the complete answer to it would be that the man was in custody under certain provisions of the defence of Canada regulations. I was astonished to learn that the decision was that the writ should not issue at all. I am not going to enter into a discussion of the fine legal principles which guide the judge. I am satisfied that he is right, and as no appeal has been taken that chapter is probably closed.

I am also curious to know what were the reasons for the seizure of the published speeches of the hon. member for North Battleford (Mrs. Nielsen). I understand they were verbatim reports of the speeches which she made in parliament.

Mr. LAPOINTE (Quebec East): A few little changes.

Mr. HANSON (York-Sunbury): Oh! Well, I was not aware of that. But I would suggest that the greatest care ought to be exercised in suppressing speeches of members of parliament. I might be in danger myself. However, that is only in passing.

I turn for a moment to ask the Prime Minister if he would be good enough to tell the house just what he has in mind with respect to the subject matter of naturalization. It has come to my attention that considerable hardship has arisen because of the action in this connection of the department of the Secretary of State. In the county of Victoria, in the province of New Brunswick, there was established sixty or seventy-five years ago a colony of Danish subjects, settled into a community which is known as New Denmark. Without any question they have been among the best settlers who ever came to New Brunswick. They are law-abiding and industrious. One scarcely ever hears of one of these men being before the criminal courts. In the thirty-nine years that I have been in practice I never heard of one being at the bar of justice for a major offence. Many of them, in fact most of them, have become naturalized. Yet I am informed that the certificates of naturalization of many of them have been revoked; they have not been given any reason for this, and they are in a state of alarm. One Danish couple came first to the United States in the nineteenth century, and subsequently, before we had so many restrictions and regulations about entry to this country, they came to Canada.

Mr. CASGRAIN: Might I interrupt my hon. friend to say that, as regards certificates of the people whom he has just mentioned, I do not recall that any certificates have been revoked. Some of them may not have been naturalized up to the present, but I do not recall having revoked any certificates.

Mr. HANSON (York-Sunbury): I have not my file in front of me, but I received quite recently a communication with respect to a man named Hans C. Hansen, who came to the United States with his young wife prior to 1900, and subsequently entered Canada and joined the Danish colony at New Denmark. I do not suppose they went through any immigration formalities; I do not know; I judge from the correspondence that they did not. Subsequently, I believe about the year 1900, these people were naturalized under the then law of Canada. After this war started they were visited by the mounted police. They are now about eighty years of age. I do not say that the police have harassed them; I should not like to put that construction upon their conduct. But certainly the visit of the police has alarmed them. They have been obliged to deliver up their certificates and have not got them back. I communicated with the Under-Secretary of State with regard to this case and he wrote back stating that if some reputable citizen would vouch for these people the position would be clarified and they would be left in peace. I have referred the matter to my colleague, the member for that county, and I have no doubt that will be done. But there was a case where there was absolutely no necessity for any action on the part of the police, and I hope that sort of thing will cease. I have just received a note to the effect that the certificate was returned yesterday, so that I will not pursue the case any further. It is however merely one out of a number, and I would bespeak a good word for these people down there, that they be left alone, because they are loyal British subjects, every one of them.

With regard to the question of not receiving any further applications for naturalization, I hope that will be considered by this committee and that there will be some good constructive suggestions in the report of the committee. There are still in New Brunswick a substantial number of people of European origin from countries overrun by the Germans —Dutch, Belgians in my own constituencies, coal miners, men and women from Denmark who have recently come to Canada under the auspices of the government—and they have either neglected to get their certificates or have not had the requisite length of residence to qualify them. War comes and they are denied the right to apply. I hope that some liberal consideration will be given these people.

With regard to the question of deportation, I suggest that the government ought to tell us what is proposed in this matter. I have recently read an interesting book on the Doukhobors, and I recall the efforts that were made some time about 1933 to deport one Peter Verigin from Canada. I remember the legal proceedings that took place, and how the efforts of the government of the day were halted by writ of habeas corpus based on the decision of the late Mr. Justice Mellish of Nova Scotia and subsequently reversed in the Supreme Court of Canada when it was too late.

I would ask the government to give us now, if they will—perhaps they are not prepared to do so—some of the considerations which have impelled them to include this in the order of reference. What is the government's proposal? They must have a policy in this regard. Surely these two important matters will not be left to the committee without any guiding government policy. In the final analysis the government must take the responsibility for a policy on both these points and I should like to know what their suggestions are.

Hon. J. L. ILSLEY (Minister of Finance): May I say a word about the matters of naturalization and deportation. The references to naturalization and deportation come as a result of the report of the committee last year, and that part finds its place in the report in consequence of a request of certain members of the committee, of whom the hon. member for Vancouver South (Mr. Green) was most prominent, according to my recollection. He will correct me if I am wrong, but, as I remember, he requested that the report contain a recommendation that the matters of naturalization and deportation be referred to the next committee that was set up.

There was some discussion of naturalization last year. The head of the branch relating to naturalization came before the committee. Instances were mentioned of certificates having been recommended by county court judges and granted by the Secretary of State in some doubtful cases. One case in particular, I remember, was discussed at length in the committee, but I do not think the committee had any clear idea of what it wished to do or intended to do about either naturalization or deportation.

In the minds of some members, perhaps one member, the hon. member for Vancouver South—he is the one I remember distinctly—

Mr. GREEN: You give me too much credit.

Mr. ILSLEY: —these were important subjects that should be considered by the committee. So far as I know, the government has no proposals to place before the committee in reference to either subject.

Mr. A. W. NEILL (Comox-Alberni): I did not gather the full import of the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell), owing to the distance that separates us, and the bad acoustics; and my hearing is also poor. Moreover, I have had experience of that hon. gentleman in my own riding from the point of view of the accuracy of his recollections of what took place in this house, which convinces me that I need not waste much time in listening to him here. But I gather from the remarks made in reply by the Minister of Justice (Mr. Lapointe) that the hon. member for Rosetown-Biggar had some serious complaint about the manner in which the minister had fulfilled his duties in connection with the War Measures Act with respect to people making subversive statements. If this was so, and evidently it was, I also have a complaint against the Minister of Justice in that regard, and that is that he does not go far enough—and I have the proof before me.

A year ago a logger—he may have been a labourer—was half-shot, which means in British Columbia that he had had a few drinks; not an improper quantity; he was just mellow. He made some nasty remark about the war. I forget exactly what he said. I cannot remember whether it was that a man was a d— fool who enlisted or whether he said, "To h— with the war." At any rate, popular sentiment was running high and he was promptly arrested. This was an ignorant man addressing half a dozen others like himself, and he was haled into court and sharply punished. He was given a considerable fine, but I forget whether he went to gaol or not. He was rather harshly treated. But let me give the other side of the picture. As I say, this was only an illiterate man talking to a few half-drunk chums. I used the word "logger," and those who come from British Columbia will bear me out when I say that the loggers in that province are as loyal as any class in Canada. You can trust them to subscribe liberally to anything that is intended to forward the war.

The other side of the picture presents itself in this way. A few weeks ago, I believe it was early in February, the local member for one of the districts which I represent in this house, the district of Comox, called a meeting of his constituents in the city of Courtenay, which meeting he said was for the purpose of advising them of his actions in the legislative assembly in the session just passed, and generally with regard to matters political. The

circumstances were fully set out in the local paper and I do not think the matter was unfairly stated. That was a couple of weeks ago, and he was attacked for his remarks and given an opportunity to correct them if he had been misquoted. I know that newspapers by headlines can misrepresent a man's intention, but in this case I think it is accurate. The headline reads:

Cameron opposed to war savings campaign.

The article goes on to say:

Mr. Cameron opened his address with a bitter attack upon the campaign through which the government urged the people to invest in war savings stamps and certificates, declaring that all those who condone and assist the campaign are "helping to put shackles on the people of Canada."

Further on he said:

All war necessities must be produced at cost plus wear and tear, and the entire cost must be paid out of taxation. "It won't be, however," he stated, "as long as the people allow themselves to be bamboozled by such polite blackmailing schemes as the war savings campaign."

Fairly strong! There was a large advertising scheme going on at the time to further the sale of war savings certificates. Further on he stated that:

. . . the safety of Canada depended upon dispossessing the owning classes, and that the C.C.F. party stood ready to propose a bold, almost revolutionary, programme.

An hon. MEMBER: Who is that?

Mr. NEILL: One of the leading Cooperative Commonwealth Federation men in British Columbia, a member of the local house. I think he might have left out the word "almost." Then he goes on to say:

My quarrel is against allowing our young men to risk their lives while we still leave a percentage in a privileged position to profit by the grief and woe of the rest and for that reason I cannot believe in the sincerity of those who say we are fighting this war for democracy.

The people of Canada are being misled and betrayed by such schemes as this war savings campaign and I see my duty as a public representative to protest.

I think a case like that having been presented to the minister, did require some attention. Remember, this is not a man of no importance; he occupies the position of a member of the local house and his words get the publicity and attention to which they are entitled. The paper printed an editorial objecting strongly to this and a couple of weeks went by; the gentleman had every opportunity to correct or modify his statements, and he has not done so.

This gentleman spent a great deal of his time touring the province—as he has a right to do as provincial organizer—promulgating his views. They are naturally very strongly Cooperative Commonwealth Federation, which in itself is not objectionable, but they are also strongly tinged with diluted communism; it is often hard to tell the difference between one and the other. We from British Columbia—the situation may be different on the prairies—know how close the relationship is between those two phases of thought, shall we call them?

The other day I received some adverse comment because I referred to the fact that the recent dominion election in British Columbia resulted in the return of only one Cooperative Commonwealth Federation member instead of, I think, four that were in the last parliament. They got one man in out of sixteen candidates. Perhaps the house will understand the reason better when I throw this further light on the views expressed by this prominent leader of that body:

The picture is like this—pro-Jap yesterday; anti-Canada to-day; pro-nazi to-morrow!

Mr. T. L. CHURCH (Broadview): Before the motion is carried I should like to ask the Prime Minister (Mr. Mackenzie King) a question about the text of the reference. It is about the same as last year. The minister has done very excellent work—both ministers; it has meant a lot of very heavy work for them. But would it not be better to extend the term of this committee for two or three years so they may lay out a long-range policy? They could meet in the recess, and if fees are necessary they should be paid.

I have here a copy of the report of the proceedings of the Dies committee to the United States house of representatives, adopted last month. They made one recommendation which I think is important and should be incorporated in the terms of reference. As I see it the reference is not broad enough to cover two things: (a) subversive matters in Canada; (b) anti-Canadian propaganda, in regard to which the Secretary of State and the minister have done good work. I should like to see this committee given wider powers. Last year there was a very able chairman, a university man, the hon. member for Parry Sound (Mr. Slaght).

I call attention to one clause in the Dies report of January, 1941, adopted by congress. They recommended that the government—

(4) withhold all federal financial support from any educational institution which permits members of its faculty to advocate communism, fascism or nazism as a substitute for our form of government to the student body of these educational institutions.

There was only one dissenting voice in that committee. One member objected that it

might work a grave injustice to teachers who are merely seeking to explain the principles involved in the totalitarian philosophy. But there is a great deal of criticism of our Canadian schools and colleges along that line. There has been much discussion in the press, as there was also in England. It was found there by a committee that investigated two years ago that there was wide circulation in the universities and among those in high authority of teachings concerning the nazi principles of socialism and totalitarianism.

Then the Washington committee recommended also that they should have power to bring about the immediate mandatory deportation of aliens who advocate any basic change in the form of our government, and legislation should be enacted requiring all employees and officials of the federal government to be American citizens. Those are two other recommendations of the committee. Other recommendations are:

The enactment of legislation to outlaw every political organization which is shown to be under the control of a foreign government.

The enactment of legislation to stop all immigration from foreign countries that refused to accept the return of their nationals found under American law to be deportable from this country. This legislation is made necessary by the fact that some foreign governments have refused to accept their own citizens who have been ordered deported by the United States government.

The committee also recommended:

—added legislation to place restrictions on the distribution of totalitarian propaganda, when that distribution involves any cost to the American taxpayers.

And they also recommended:

—that the statutory period during which citizenship papers can be revoked under existing law be extended to at least ten years.

Due to the fact that the committee has discovered that many members of foreign controlled organizations have travelled on American passports which have been fraudulently obtained, the committee feels that the Statute of Limitations should be extended from three to seven years. This is made necessary because of the unusual difficulty in apprehending those who resort to the use of fraudulent passports within the period of three years.

With regard to propaganda, the report states that this literature arrives in tons from Japan, for example, by boat, and is distributed by the post office, and the American taxpayers have no alternative but to foot the bill for its distribution. This propaganda is distributed to individuals, schools, colleges, institutions and business houses, and must be handled again and again by American citizens in the employ of the United States government. The cost of distribution from the time it is taken off the boat until it reaches its destination is borne by the United States; the postage is received in the country of origin. Germany and Japan are both members of the postal union.

It was found that a large part of this subversive German propaganda comes through the German consuls in the United States. I believe we should close our doors along those lines, and the reference to the committee might very well be extended to include anti-Canadian and subversive propaganda. Many universities and colleges in this country are being criticized for the way they have been allowed all kinds of preaching of pacifism and of totalitarianism foreign to the Canadian people and other new ideas which came from Russia and have been imported through Germany into the United States and to some extent into Canada to sow the seeds of enemy propaganda. It is hard to check it, even by legislation. It is the desire of every good citizen to aid the government in this work.

Hon. P. F. CASGRAIN (Secretary of State): Since the hon. member for Rosetown-Biggar (Mr. Coldwell) has drawn the attention of the house to the suspension of the newspaper *Canadian Tribune,* perhaps it would be in order for me to make a few remarks on the subject.

Contrary to the understanding and statement of the hon. member, this newspaper was not suspended only on verbal orders; a written notification, signed by myself, was served by the mounted police. Headquarters here telephoned the Toronto detachment informing them that the order had been received, and at 4.45 p.m. on Monday two constables of the police called on Mr. A. A. MacLeod, editor of the *Canadian Tribune,* informing him that they had been advised of the making of the order, and were assured by him that it would be complied with. The original order and copy were forwarded by mail and reached Toronto on February 25. Mr. MacLeod was supplied immediately with a copy of the order, and the original was available for his inspection.

One of the objects of giving the oral notice in advance was to prevent any greater degree of inconvenience than might be necessary. It is understood that the *Canadian Tribune* goes to press on Wednesday or Thursday, and obviously it was desirable that those responsible for its publication should be advised of the order at the earliest possible moment after it had been issued.

With regard to the question whether or not this paper should have been suspended, I think it would be advisable to place before the house the reasons which prompted the Canadian coordination committee on censor-

ship to advise the government to suspend this publication, and why the government has seen fit to issue such an order under my signature.

The action of the government in suspending the *Canadian Tribune* was taken only after long and careful examination of its contents, and after two warnings. The first issue appeared in January, 1940. From its inception this newspaper has studiously refrained from supporting Canada's war effort. It has repeatedly carried material which was at least on the borderline of contravening the defence of Canada regulations. The government has ample reason to believe that if it is not actually a communist publication it is pursuing the policy which a communist publication in this country would be instructed by its headquarters to follow.

The *Canadian Tribune* has been twice warned by the press censors, the first time orally and the second time in writing, that it was treading on dangerous ground. The settled policy of the newspaper, however, appears to be to print such material as would encourage readers to refrain from cooperation in the Canadian war effort.

The government has shown great restraint in dealing with this publication, since the *Canadian Tribune* has sought to create the impression that it is a left wing labour organ sincerely concerned with the problems of organized labour, the preservation of civil liberties and the welfare of the masses. The government is determined to preserve the maximum freedom of the press consistent with the defence of Canada regulations. It is anxious not to curb sincere critical comment, and has therefore tolerated considerable objectionable material in the columns of the *Canadian Tribune*. I have in my hand one of the last issues of this newspaper, dated February 1, 1941. I need not read it to the house, but it contains references to certain speeches and utterances of a member of the British House of Commons.

The recent display given by this newspaper to material obviously inspired by the actions of communists, in the light of its whole record, has driven the government to conclude that it could no longer justify its earlier forbearance. The order to suspend, rather than suppress, this newspaper will afford those responsible for its publication one more opportunity to make it what it purports to be, namely "a journal of democratic opinion." A rigid distinction must be drawn between subversion and criticism, and we cannot allow the democratic privilege of freedom of speech to be abused by sworn enemies of all democratic forms, in the furtherance of their work of destruction.

On motion of Mr. Green the debate was adjourned.

CANADIAN YOUTH CONGRESS

RAID BY MOUNTED POLICE ON HOME OF MONTREAL SECRETARY

On the orders of the day:

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I have communicated with the Montreal headquarters of the Royal Canadian Mounted Police in regard to a question which was asked by the hon. member for North Battleford (Mrs. Nielsen) a couple of days ago. The answer is:

1. The home of Jack Brierley was searched on February 12 by members of the Royal Canadian Mounted Police and the Montreal city police force under authority of a search warrant issued by Judge Marin. The search was made in an endeavour to trace the source of communist publications and literature which is being insidiously and widely distributed throughout the city of Montreal. The Canadian youth congress has not, as yet, been declared an illegal organization under the provisions of the defence of Canada regulations, and the raid in question was directed not against the Canadian youth organization but against Jack Brierley. Certain important material was seized.

2. The raid was made under the authority of a search warrant.

MEAT AND CANNED FOODS

INSPECTION AND GRADING OF CANNED LOBSTER—POSSIBLE POSTPONEMENT OF REGULATIONS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to direct a question to the Minister of Fisheries (Mr. Michaud). On the order paper, under government orders, will be found No. 7, for the second reading of Bill No. 14, to amend the Meat and Canned Foods Act (fish and shell fish). I should like to direct the minister's attention to the report of a meeting held at Amherst, Nova Scotia, on February 25, attended by nearly all the members of the maritime branch of the canned food section of the Canadian Manufacturers association, at which a resolution was passed to the effect that the lobster industry would not have time, between now and the opening of the next packing season, to adjust itself to the proposed changes, particularly under stress of war-time conditions in the industry.

I should like to ask the minister if this resolution has reached him and whether in

the light of the resolution he intends to proceed with this bill at this session; or, if he does proceed with the bill, will he allow sufficient time before it becomes operative so that the industry may adjust itself to the changes recommended? I understand it was the consensus at that meeting that the changes were desirable but that they should not become operative immediately. What is the position?

Hon. J. E. MICHAUD (Minister of Fisheries): The matter to which the leader of the opposition (Mr. Hanson) has referred was brought to my attention yesterday by the officers of the maritime section of the canned fish branch of the Canadian Manufacturers association.

I believe the views that have been expressed have resulted from a misunderstanding of the situation. The inspection and grading of canned lobster was unanimously approved at a meeting of the packers, fishermen and dealers on November 6 last, held at Moncton. After that meeting some of the officers representing the interested parties, together with officers of the department, proceeded to prepare legislation to amend the Meat and Canned Foods Act in order to give optional powers to the minister to enforce inspection and grading, subject to regulations which were to be approved by the parties. The confusion arose when the proposed amendments to the act and some of the proposed regulations to be made thereunder at a later time were forwarded to these people for their consideration. They thought all were to be approved immediately by act of parliament, and made compulsory. This matter has been explained to them, and they have been informed that they will have ample time to consider all the regulations which may be made under the proposed enactment. They have agreed to that.

WAR MUNITIONS AND MATERIALS

INQUIRY AS TO POSSIBLE USE OF PLATE MILL AT SYDNEY, N.S.

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I should like to ask a question of the Minister of Munitions and Supply (Mr. Howe), a copy of which I sent him this forenoon.

An hon. MEMBER: He is out.

Mr. GILLIS: Then I shall direct the question to the government. It arises out of a telegram I received this morning from lodge 1064 of the steel workers union, Sydney, Nova Scotia. Is it the intention of the government to make use of the plate mill located at Sydney, Nova Scotia, and if so, what progress is being made with respect to putting it into shape for operation? This mill was created during the last war under circumstances similar to those through which war industries are being created to-day.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, as my hon. friend has observed, the minister is not in the house at the moment. I suggest that the question stand as a notice.

SUPPLY

The house in committee of supply, Mr. Vien in the chair.

DEPARTMENT OF JUSTICE

87. Departmental administration, $154,440.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Chairman, under this vote I assume it will be in order to discuss matters relating to the penitentiaries.

Right Hon. ERNEST LAPOINTE (Minister of Justice): I believe a discussion of penitentiaries would be more properly debatable under item 96 of the estimates.

Mr. HANSON (York-Sunbury): I could discuss the matter of the policy of the department under this item. Hon. members who sat in parliament between 1930 and 1935, and more especially those who sat between 1935 and 1940, will recall that largely as a result of the agitation—I was almost going to say misplaced activities—of the former hon. member for Grey-Bruce, and as a result of the newspaper agitation of the Toronto *Globe* as constituted in earlier days, five years ago to-day this government set up another royal commission to investigate our whole penal system.

The commission consisted of Mr. Justice Joseph Archambault, of the superior court of the province of Quebec, a distinguished former member of this house, one whom it was always a pleasure to know and to meet, and who had had a wide experience at the bar in criminal practice; Mr. R. W. Craig, K.C. of Winnipeg, at one time I believe attorney general for Manitoba, and Mr. Harry W. Anderson, a distinguished member of the press gallery, in his lifetime a noted publicist in Canada, one who had taken a keen personal interest in the matter and had been to a great extent if not wholly responsible for the attitude of the *Globe* at that time. Unfortunately Mr. Anderson passed away, and his place was taken by Mr. McRuer, an experienced lawyer

of Toronto—and, by the way, a defeated Liberal candidate in the constituency of High Park.

Mr. MACKENZIE (Vancouver Centre): One of the few.

Mr. LAPOINTE (Quebec East): Was a Liberal candidate defeated? He must have been a rare specimen.

Mr. HANSON (York-Sunbury): A *rara avis?*—there are such in this world, and there will be more later.

Mr. MacNICOL: They are not rare in Toronto.

Mr. HANSON (York-Sunbury): However, that is by the way. This commission made an exhaustive survey. They held sittings in every province; they went to all the principal centres across the dominion. They held sittings in my own city. In 1937 they visited the United States. They went overseas to study the penal systems of England, Scotland, Holland, Belgium, Germany and France. On April 4, 1938—almost three years ago—the commission presented to the Minister of Justice (Mr. Lapointe) a report consisting of 418 pages. The cost of that commission to the taxpayers of Canada was, I am told, $88,810.25.

The recommendations of the commission were numerous and varied. They were so varied in fact that I shall not take up the time of the house to dwell upon them. That is not the point I have in mind. One of the recommendations which appealed strongly to the government was that a commission system should be established to administer our penitentiary system in Canada, rather than have it carried on under administration by the department, through a superintendent.

Late in the session of 1938, almost I believe in the dying days of that session, the Minister of Justice brought to the house a bill providing for the appointment of a penitentiaries commission, but carrying into effect very few of the remaining recommendations made by the royal commission. If I remember correctly, that bill, and its successor, which was subsequently enacted, reenacted a large number of the provisions of the act found in the revised statutes of Canada. The principal departure was the setting up of the principle of commission administration, in contradistinction to departmental administration. I was not then in parliament, but I understand vigorous protests were made by the opposition to the effect that sufficient opportunity was not given at that time, in the dying days of the session, properly to consider the matter.

The Minister of Justice, however, insisted on the passage of the bill, and on June 29, 1938, he made this statement, as reported at page 4383 of *Hansard*—I direct particular attention to the passage I quote:

> It is a necessity, because I do not see how we can proceed under the present system after what has taken place. I would not feel that I could safely be responsible for the administration of the penitentiaries.

That is to say, he would not feel he could be responsible if the system was continued under the old law. I pause here to say that due largely to economic conditions in Canada beginning, we will say, in 1929 and continuing on until very recent years, there was a substantial increase in the criminal population of our penitentiaries. Most of this increase was due to economic stress; most of the cases were cases of robbery and robbery with violence, and a very considerable number of desperate characters were incarcerated in our penal institutions during that period. Among them were some communists, about whom we have heard this afternoon. They carried on their nefarious work among the criminal population with the result that there were riots and all that sort of thing, an aspect of the matter which at the moment I need not traverse. But I want to emphasize the fact that it was probably because of the situation then existing that the minister made the statement which I have quoted.

The minister having made that statement upon his responsibility as the directing head of the penitentiary system, the then leader of the opposition waived his objection to the bill and it passed this house. Subsequently—I think for the same reason that had been alleged in this house, and possibly others—the bill was rejected in the other house, and there the matter stood. When the Minister of Justice announced to the house the rejection of the bill in the senate he made this statement, which will be found at page 4511 of *Hansard* of June 30, 1938:

> All I may add is that this postponement of a needed reform, apart from being detrimental to public interest, and increasing to a dangerous degree the difficulties of my task, will not serve any useful purpose, not even that which seems to be at the basis of the adverse vote.

He was referring, of course, to the action of the other house.

In the following session the minister presented the same bill, and it passed both houses and received the royal assent on April 5, 1939, nearly two years ago. The act is cited as The Penitentiary Act, 1939, chapter 6, 3 George VI, the last section of which, section 84, provides that the act shall come into force on a date to be fixed by proclama-

tion of the governor in council published in the *Canada Gazette*. I have had search made in the *Canada Gazette*, and I find that this statute has never been proclaimed. In view of the minister's statements to which I have referred, and which obviously were made in good faith—I am not suggesting anything else—one would have expected immediate action—the proclamation of the bill and the appointment of a commission to relieve the minister of the responsibility which he found so onerous and indeed dangerous. Mind you, Mr. Chairman, this was not in war time.

As I have stated, the main purpose of the bill was to set up a commission form of administration for our penal institutions, a three-man commission instead of a one-man superintendency.

What is the situation to-day? Two years have gone by. The bill has not been proclaimed, no appointments have been made, the minister still bears the heavy and onerous and dangerous burden—and in addition there is a war on. One of the inspectors continues to act as superintendent, and apparently with satisfaction, because we do not hear a word about him. If the former member for Grey-Bruce were in the house we might be hearing something about the penitentiaries, but that element having been removed from our society the agitation has entirely ceased. I am not saying that in any derogatory sense at all. She apparently has accomplished her mission here in this reform of our penal institutions and is no doubt devoting her attention to other activities, with profit I hope to herself and to those with whom she is associated. The minister is still carrying on under the old system, and I think he is to be congratulated. The cost of the superintendency to-day is less than $5,000 for salary. The minister will correct me if I am wrong, but I think I am right. The acting superintendent has the standing of an inspector with the pay of that position.

Under the proposed set-up a three-man commission is to be appointed, costing this country $24,000 a year, with a chairman at $9,000 and two other commissioners at $7,500 a year. The time has arrived when the minister ought to abandon this whole proposal, scrap the bill, appoint a superintendent of penitentiaries and proceed under the old act, which is to be found in the revised statutes.

I suggest that never at any time was this proposal anything more than a sop to the former member for Grey-Bruce and to certain newspapers. In view of the fact that our penal system has operated with apparent success on the old basis, and especially so during the past two or three years, I suggest that the proposed commission be relegated to the same pigeonhole as that in which most of the other recommendations of the $88,000 royal commission are to be found. The major part of them will never emerge and see the light of day.

By the way, if hon. gentlemen will look at the estimates they will see that this money has been voted each year since the passing of the act, and it is in the estimates to-day; but the statute itself has never been proclaimed and the money is not spent. Let us do away with this farce. Let us proceed under a system that is reasonably satisfactory, and, I would add, much more economical to the taxpayers of Canada in this time of war. I invite the minister to take heed of the suggestions I have made to him. The present is no time to embark on these new expenditures. I urge upon the minister that he remove these votes from the estimates.

Mr. LAPOINTE (Quebec East): The leader of the opposition has been fairly accurate in the historical review he has given of this matter, except in some particulars, and he adorned his oration with some comments, of course, that may not have been altogether called for. When the investigation commission was appointed there had been requests for it from various parts of Canada. My hon. friend gives too much credit to the former member for Grey-Bruce—

Mr. HANSON (York-Sunbury): I do not think so.

Mr. LAPOINTE (Quebec East): —when he states that she was the one responsible for the appointment of the commission. No doubt she was strongly in favour of it, but that attitude was not confined to the former member for Grey-Bruce. There had been difficulties and troubles, and the press had been commenting on our system in a not altogether favourable way. I remember that my own fellow townsman, Archdeacon Scott, the old padre, whom everybody in Canada loves, was perhaps the strongest advocate of a thorough investigation of our penitentiaries. As a matter of fact, in 1935 the present Prime Minister made it part of his platform; it was a pledge which he took before the electors of Canada.

Mr. HANSON (York-Sunbury): Another broken pledge?

Mr. LAPOINTE (Quebec East): He pledged there would be a commission to investigate the system.

Mr. HANSON (York-Sunbury): He was safe.

Mr. LAPOINTE (Quebec East): A commission, a very good one, as my hon. friend himself said, was appointed, and it did a

very fine piece of work. The reports of the commission deserve to be not only read but seriously studied by all those who are interested in social work. My hon. friend says that no part of the recommendations has been applied. Such of the recommendations as could be applied without the appointment of a commission, have been put into effect by regulation. As my hon. friend said, the bill was rejected by the senate in 1938. It was made law in 1939 at the end of the session, probably June.

Mr. HANSON (York-Sunbury): April.

Mr. LAPOINTE (Quebec East): April? Very well. Of course the main provision of the act is for the appointment of a permanent penitentiaries commission. My hon. friend said we should discard that altogether. May I remind him of what is stated in that report, that Canada is about the only country in the world where there is no commission in charge of prisons and penitentiaries. The British system has been mentioned in the house time and again; in Great Britain there is a very, very valuable commission. The United States and the various countries of Europe have commissions, and I believe that Canada should follow suit in this respect. Then, my hon. friend says, why do you not appoint the commission and why do you not proclaim the act? The act will be proclaimed when we are ready to appoint the commission. We could not proclaim the act without appointing the commission immediately.

Mr. HANSON (York-Sunbury): Have there been any refusals to take these jobs?

Mr. LAPOINTE (Quebec East): No refusals, no. But I do not want to consider very much too-pressing applications for appointments to the commission. I think rather that we are trying to find the men without the men offering themselves for the work.

Mr. HANSON (York-Sunbury): The minister will find plenty of men who want the jobs.

Mr. LAPOINTE (Quebec East): My hon. friend will say that the war is made responsible for all sorts of things, but I tell him in all sincerity that the war has something to do with this matter. At least a couple of men whom I had in mind for appointments on the commission are actually doing war work.

Mr. GRAYDON: Any ladies?

Mr. LAPOINTE (Quebec East): No. I have not thought about that, but if my hon. friend is making a serious suggestion, perhaps I may consider it.

Mr. GRAYDON: I was just asking a question.

Mr. LAPOINTE (Quebec East): No; I myself have not thought about it.

Mr. HANSON (York-Sunbury): That suggestion is settled, then, is it?

Mr. LAPOINTE (Quebec East): I think my hon. friend will agree with me that it is better not to appoint the commission now than to have members who would not be qualified for the work.

Mr. HANSON (York-Sunbury): If you are going on.

Mr. LAPOINTE (Quebec East): If I can find suitable men for the job, even during the war, the commission will be appointed. That is the reason why I am still putting the item in the estimates. Unless, however, we are satisfied that we have the proper men to act on the commission, it is better to wait until our man power is not so much in demand as it is to-day. That is the only reason which has prevented the appointment of the commission. But I cannot accept the suggestion of my hon. friend and do away altogether with the proposal.

Mr. CHURCH: I should like to ask the minister a question in connection with this matter. I understand that there is a separate vote for penitentiaries, and probably I can say what I have to say on that particular subject when we reach that item. Is there not some way whereby the minister's department can be consolidated? No living man could stand the strain of the department as it is set up and constituted to-day. The minister is carrying on all the work which in England is divided among three departments. There, the Home Secretary has charge of the institutions referred to by my leader. Another, the Lord Chancellor has charge of the Law Courts, and another department relates to the office of the Attorney General. Three separate ministers divide the work. In Canada the Minister of Justice is not only Minister of Justice, but also Attorney General of Canada; he is the chief law officer of the crown and home secretary in Canada; that is his second function. His third function is Minister of Justice, which means that he is administrative officer of all justice in the country. He appoints the superior and county court judges. In England they have been discussing a report of a committee of the House of Commons to create a department of justice to handle all these matters, and a book by R. M. Jackson, on the machinery

of justice in England, which book came out last month and is in the library, deals with this problem.

In the present situation in Canada the Minister of Justice has not any time to attend to one of the main questions which Canada has to consider, relative to four unsolved problems—constitutional, cabinet, law and parliamentary reform, long overdue in this country and only talked about. I say the minister has no time whatever to attend to that, and one cannot expect him to do it. I wonder how, even with his fine ability, he has stood the strain as well as he has.

Mr. LAPOINTE (Quebec East): Thank you.

Mr. CHURCH: I would, however, suggest to him that during the parliamentary recess some consideration should be given to the important subject of law, cabinet, parliamentary and constitutional reform in Canada, because we are away behind the times. Although the present minister may know much more about the matter than I do, I believe he, as head, could divide this burden with others. There should be one minister responsible solely for the administration of justice in all four items but with more help. The present minister should be assisted by an attorney general, who would appear in the law courts and undertake duties of that sort. Then, the kind of work performed by the department of the Home Secretary in England has become in Canada a very large and important part of the Department of Justice with its large detail of administration. We have had a report on this matter by a very good commission on prison reform, but the report has not yet been consummated. That part of the report about the Borstal system should be dealt with, and a great part of the recommendations contained in the report should be carried out at once, war or no war.

At the present time the administration of the department must necessarily devolve upon deputies who should get reforms under way. The head of the department, the minister, who visits various places and appoints staff has considerable work to do unless he has ample assistance. I suggest that in the recess the minister should endeavour to bring about some form of consolidation whereby deputies or other ministers might be appointed to take care of the various aspects of the work of the department.

One matter I would mention in connection with the branch of the department that has jurisdiction over law reform is the appointment of judges. More care should be taken. Many judges to-day leave the bench for months and even for a year or two, to engage in commission work in the provinces. This runs into large sums of money, and their judicial duties have to be carried out by others. I had a bill before the house a few years ago to provide that any judge who might be appointed on any commission, political or otherwise, should first vacate his judgeship. While they are on such work, away from their judicial duties, others must take their place, and work becomes congested because a salary is provided in the estimates for each of them.

With regard to the report to which I have already referred respecting machinery of government, laid before the British House of Commons and the House of Lords, the appointment of judges would be transferred to the Lord Chancellor who would have power to consult a committee, including the Prime Minister, the Minister of Justice and others.

I suggest that something should be done to relieve the congestion that exists in the courts as a result of the absence of judges from sickness and other causes—and there is at times considerable congestion in some provinces.

The chief constables' association has laid many matters before the government. For one thing it has proposed the abolition of air rifles. On a street car the other day on Bathurst street a woman was sitting near a window when a shot from an air gun came through the window and struck her, nearly blinding one eye and it might have blinded the other had her head been turned that way. I hope the government will adopt the recommendation of the association in this regard and prevent the manufacture of air guns and ban them.

Different bills have been introduced into this house having for their purpose various amendments to the criminal code in order to bring about much needed improvements in motor vehicular traffic. I hope that the minister will seriously consider adopting some of these proposals and that some definite action will be taken during the recess. I do not wish to see any member of this house knocked down by any hit-and-run driver. There is an awful slaughter on the highways to-day. I hope that the department will broaden its functions to provide some remedy for the present situation, because the slaughter is almost as bad as the destruction of life in war. Every roadway is turned red, and the loss of life is deplorable and one of Canada's scandals.

The rule has been laid down that the Attorney General of Canada should not be asked to offer legal opinions in the house, and I commend the present minister for his observance of that rule. I only regret that

the attorneys general of some of our provinces, instead of adopting a similar attitude, have seen fit to give a great many opinions on various matters. The subject matters may come before the law courts and the attorneys general are judicial officers.

Another amendment which I should like to see the department introduce is with regard to juries, to provide, for instance, that the judge shall enter verdict without any comment, because the functions of the judge and the jury are clearly defined. I trust that the jury system will not be interfered with in the code, because it has done good work and is badly needed at the present time.

Another matter to which I might refer is the question of appeals to the privy council. The former member for St. Lawrence-St. George had a bill before this house for the abolition of such appeals, and the matter went to the supreme court. I hope the bill will be left in abeyance. Appeals to the privy council are one link we hold within the empire. Under the Supreme Court Act I should like to see a reference to the Supreme Court of Canada of a bill I introduced to provide that the judges in this country shall follow the decisions of his majesty in his privy council. The case on marriage laws here came up and a decision was given on validity. This has been supported by Chief Justice Greenshields of Quebec, a very able judge, who laid down that they are legal and no canon law should upset them, I have no doubt that if there were an appeal on a question of law to the Supreme Court of Canada under the Supreme Court Act, they would establish the decision of Mr. Justice Greenshields as the law of this country long overdue. The courts are subservient to the legislature, and it is the duty of judges to interpret the law as it stands, as it is found in the textbooks and the authorities and by the court of last resort, the privy council, one court where a litigant is always sure of substantial justice. I submit that the department should come to some decision in this matter. Many requests have been made to have such an appeal taken. The minister, after all, has a function to perform as Attorney General to enforce the law and clear up the law.

In passing, may I request the right hon. gentleman's attention for a moment as Minister of Justice. I see the hon. member for Parkdale (Mr. Bruce) in conversation with him. I do not like to interrupt them, but I suggest that the subject I am discussing at the moment is of sufficient importance to call for a little of the minister's undivided attention for a few minutes. Yesterday, humorously he was talking about some of the "N.G.s" on this side. I was not one selected for the minister's team by him of the "N.G.s" "N.G." means "no game," "no goal," "no guts," "no girl," no anything you like. I hope my good friend the hon. member for Parkdale did not go over to get on the Minister of Justice team to tell him what "N.G." means, and how to play if he gets on the team, because the minister has a keen sense of good humour.

I would ask in all seriousness that the minister state a case to be referred to the supreme court in order to determine that question of law, that judges shall follow the decisions of his majesty in his privy council, because the decisions of the privy council in London are binding on all the courts of this country in every province.

I have already referred to the question of motor car accidents, but the situation to-day is so serious that I refer to it once again by way of emphasis. I hope the minister will seriously consider an amendment that will give us a real remedy. Why, fifty-four soldiers, some by hit-and-run drivers, have been knocked down and killed in the various military districts in one year. I do not want to see the minister himself knocked down, but I know he has been in danger himself. I saw him walking in front of the Rideau club one day and he had a close shave. He may not have seen the car of which he might easily have been a victim. I should not like to see the hon. member for Parkdale or the Prime Minister, or the leader of the opposition or the learned Minister of Pensions run any risks, because they do not step as lively as they used to, nor do any of us sometimes.

It is impossible for the Minister of Justice efficiently to discharge his duties unless he is given additional help along the lines I have suggested, namely, on the judicial and the administrative sides and in connection with work similar to that done in England by the Home Secretary.

Many recommendations have been made with regard to amendments to the code, and I do hope that something will be done to implement some of the most urgent of them. I think the minister is to be commended for bringing down his estimates so early in the session, so that judges and others in authority may have an opportunity to express themselves with regard to any statutory amendments that may be contemplated. The department is a very good one; there is an active minister, and I hope that during the recess he will take these suggestions into consideration.

Canada is away behind the times in law reform. It has been talked of for twenty-

five years. They have accomplished it in England; as a result of the Summary Offenders Act they closed up half the prisons in England. In Canada, law reform is discussed only by the bar at its conventions, but it should be the most important work of this house in committee.

Mr. MacNICOL: I should like to ask the minister a question, following what my leader said in reference to the report upon which the minister had made suggestions a few years ago. At that time there was a good deal of talk about instituting in the penitentiaries of Canada some means of reform along the lines of the Borstal system that has shown such splendid results in England.

In speaking on the question a few years ago, I referred to my own survey of the penitentiaries of England and the fine things I saw as a result of that system. Has anything along that line been incorporated in the administration of the Canadian penitentiaries?

Mr. LAPOINTE (Quebec East): This was one of the important matters that were left for the consideration of the commission when appointed, and that is the reason why really nothing has been done. If we ever come to the conclusion that no commission should be appointed, this matter will have to be considered. But I still hope to give effect to the recommendations of the report and have the commission appointed, and that system which my hon. friend has discussed in the house on some occasions and of which I know personally he has made a special study, put into effect as far as possible.

Mr. BRUCE: I should like to suggest publicly, as I was doing privately to the Minister of Justice, that this matter of appointing commissioners, involving considerable expenditure, might very well be left over until after the war.

Second, may I say that I personally have had some experience in making a report, and although in my case the report was not approved publicly, twenty-four of my recommendations out of twenty-five were put into effect. I think, therefore, that the Minister of Justice could very well implement many of the recommendations of the report even in advance of the appointment of the commissioners.

Mr. DOUGLAS (Weyburn): I cannot support that point of view at all. It seems to me an oversimplification to say that the bill setting up the penitentiaries commission was purely a sop to the former member for Grey-Bruce. It is true that the former member for Grey-Bruce and the hon. member for Winnipeg North Centre (Mr. Woodsworth) were both enthusiastic advocates of penitentiary reform. But there were hundreds of people, penologists and others interested in the penal problem in Canada, who for years had been pressing upon the government, both the former government and this one, the need for setting up a commission to institute modern methods of dealing with people who had broken the law and were in need of a new adaptation to society. We in this group were most enthusiastic when the government finally did bring down the bill to set up this commission. Whether there is a war on or not, this country can fight it efficiently and vigorously only as it has behind it a solidified state, and at the core of any state there lies its judiciary and its method of dealing with the malcontent and people who have broken the laws and have come under the punishment of the state.

No one has suggested that, as a war measure, we should reduce this huge sum being paid to judges, over $2,000,000, or the $300,000 being paid in pensions. If we are going to take care of one end of the law, we must also take care of the other. If we are going to spend money to try men and put them away where they can do no harm, we must also be prepared for the sake of the state to take care of these men when they come out of prison, and help them to make a proper adaptation, get back into society and play a part in the Canada that is to be when this war is over.

Someone suggested $24,000 for salaries alone for the commission. That sum or ten times that sum, if necessary for administration and so on, will be a small amount compared with what we may pay for failing to do something about penal conditions in Canada.

I was very glad to hear the minister say that the government have no intention of discarding the bill and that they do intend to follow through with the appointment of the commission. I hope the minister will continue along that course; that it will not be long until the necessary men are found and the commission set up, so that something along the lines of the Borstal system as it has operated so successfully in England can be set up in Canada and we begin to do something for that section of our society which has been too long neglected and overlooked.

Mr. GREEN: When this item of departmental administration was up for consideration in the 1940 session, I asked the Minister of Justice if he would give consideration to the appointment of a solicitor general, to be in charge particularly of the administration of

the defence of Canada regulations. At that time I pointed out, what the minister so clearly indicated this afternoon, that the administration of these regulations is based upon ministerial responsibility rather than judicial responsibility. It seemed to me then, and it does now, that it might be better if there were a minister of the crown whose sole or principal duty it would be to administer those regulations. Of course there are probably fewer cases now going through than there were last year, so the work is not so heavy. Has consideration been given to that suggestion, and, if so, has any decision been reached?

Mr. LAPOINTE (Quebec East): Consideration has certainly been given to the suggestion of my hon. friend. Of course that would mean an enlargement of the cabinet. Personally I think it is not absolutely essential that another man should be appointed to do this work. As my hon. friend says, the number of cases rather decreases because most of those who were under suspicion or to be interned have already come under the supervising control of the department. If, however, the work really justifies the course suggested by my hon. friend, I should be only too pleased to divide the work, but although I thank the hon. member for Broadview for his kind words and solicitude about my health, I am not as bad as I look.

With reference to the remarks of the hon. member for Broadview, in England not three but four ministers do the work that is done by the Minister of Justice here. They include the Home Secretary, the Attorney General, the Solicitor General and the Lord Chancellor, who appoints the judges and is responsible for them. But we must not forget that in England they have not a federal system, while we have nine provinces, with nine attorneys general and nine departments concerned with the administration of justice, which certainly makes a difference in the work that has to be done by the Minister of Justice in Canada. I will, however, still consider the suggestion of the hon. member for Vancouver South.

Mr. GREEN: I would not want the minister to take it that I was questioning his judgment in these cases; I do not think anyone in the house questions that. It is simply a question whether it is physically possible for the minister, with his many other duties, to review each of these cases in detail.

In connection with the internment camps I notice that the return filed by the minister some days ago covering internments under regulation 21 from November 1, 1940, to February 17, 1941, divides them into four classes; Germans, Italians, communists and National Unity party. I do not know whether the one from the National Unity party is ex-Mayor Houde of Montreal, or under which classification he comes. Could the minister tell us how many people there are in internment camps at the moment, divided into these classes or in any other way he wishes, and also how many women have been interned? Last year I think only two women were interned, one German and one Italian. I should like to know how many are interned at the moment, and the class in which they come.

Mr. LAPOINTE (Quebec East): I will try to have that information when the resolution discussed earlier this afternoon comes up for further consideration. I must say, however, that after having laid on the table of the house the statement to which my hon. friend has just referred, I found that in it I had gone beyond the recommendations of the committee. I was requested only to give the number of internments and the number of cases in which the Minister of Justice had declined to accept the recommendations of the committees. I am not quite sure that it is in the public interest that the classification I gave should have been given. If, however, I can amplify what has been stated already, certainly I will do so. So far as the number of people interned is concerned, certainly that can be given, together with the number of women, and I will have that information available.

Mr. GREEN: Could the minister tell us whether or not any internees have been released without a recommendation on the part of the committee?

Mr. LAPOINTE (Quebec East): None.

Mr. McCANN: I have just one or two observations to make in connection with these estimates. First, I should like to commend the Minister of Justice for having included in the estimates an appropriation to set up the penitentiaries commission. The criticism that this is a sop to the former member for Grey-Bruce is not well founded. By inference that means that it is a sop to a number of other people in this house and throughout the country who were interested in penitentiary reform. I am quite sure the leader of the opposition would not be quite so brave in the presence of the former member for Grey-Bruce as he has attempted to be this afternoon. After all, if the provisions of the Penitentiary Act, 1939, are implemented, the will of parliament will be carried out. That

act was placed upon the statute books of this country by the representatives of the people, and if it is not implemented or if the government intimated that they did not intend to implement it, I am quite sure that there would be a storm of protest from one end of this country to the other, and that the agitation for penitentiary reform which was carried on prior to the enactment of this bill would start all over again.

The minister has said that men capable of carrying on such administration may not be immediately available. Be that as it may, however, there are, I am sure, plenty of other men capable of carrying on the work of this commission. I do not believe it is a job for one man; it is not a job for a superintendent of penitentiaries. When the bill was under discussion a year or two ago, I expressed my views on the matter, after studying some of the penitentiaries of this country. At that time I pointed out that if there was to be reform, it must start in other places. It is not my intention to reiterate those opinions to-day but I do make a plea for the men who are in the penal institutions of this country. Give them a chance to learn a trade; give them a chance to be rehabilitated when they leave these institutions. At this time, when great numbers of men will be lost to the country, it is more important than ever before that we attempt this rehabilitation.

So, Mr. Chairman, I say I am pleased that the minister has included in the estimates an amount to provide for the setting up of the commission, and I hope that before long his opinions will find concrete endorsation.

Mr. ADAMSON: When civilians are interned in Canada, do they come under the director of internment operations or under some other body?

Mr. LAPOINTE (Quebec East): They come under the director of internment operations and I have nothing to do with them. They come under the Secretary of State, and under the Minister of National Defence so far as guarding the camps is concerned. The only thing I have to do is to review their appeals when they come to me.

Mr. DIEFENBAKER: The report of the penitentiary commission was one of the finest reports ever handed down anywhere as far as penal administration is concerned. While I appreciate the argument that at this time of war it might not be practicable to set up the commission as such because of the expenditure that would be involved, I would suggest to the minister that many recommendations that were made by the commission which dealt with the administration of the various penitentiaries, should be put into effect. Many of those recommendations have not been carried into effect, with the result that there has been a continuing undercurrent of resentment among some of the staffs in penitentiaries at the failure of the government to carry into effect the recommendations made. Would the minister be good enough to outline to the committee what recommendations made, in so far as internal administration in the various penitentiaries is concerned, were in fact carried into effect?

Mr. LAPOINTE (Quebec East): Of course I have not those documents here. I believe last year I gave to the committee a list of the changes made, and the regulations made following recommendations of the commission.

Mr. DIEFENBAKER: But since last year, what?

Mr. LAPOINTE (Quebec East): I shall try to find out, and let my hon. friend know.

Mr. CHURCH: What becomes of all these applications made by the bar association and the police constables' association to the Minister of Justice advocating law reform? I do not wish to criticize the minister, but I have watched his department for many years and it seems to me it suffers because of its failure to follow what a statesman in England said of the Home Office—"the swing of the pendulum in the matter of law reform." Modern reforms have been brought about in England, and have led to the closing of some institutions and a decrease in the cost of the administration of justice.

Dear knows, if ever there was a time we should follow the pendulum, it is now. As I understand it, bills proposed by private members, whether for regulations respecting motor cars, or for some other wise amendments to the statute law, are referred by the department to the attorneys general of the provinces. What have those attorneys general to do with federal law? Under section 91 of the British North America Act the federal parliament has exclusive jurisdiction in matters of this kind. Nevertheless, if any amendment to the law is proposed, it is immediately referred to the attorneys general. Federal power is at a low ebb when that is done, and I say that that power should lead in law reform for all the provinces, if federal power would only assert itself.

I have in my hand a report of a speech made by Mr. Wedgwood, a Labour member in the English House of Commons. Referring to the same principle, and addressing his observations on law reform to the new Home Secretary, he said:

One of the difficulties we have to face in this house at the present time is that we no longer change about—the Conservative government five years, the Liberal government five years and the Labour government five years. There is no adequate excuse for any change of policy. Home secretary follows home secretary, not exactly with the same government but with the same general policy of their predecessors, with the result that a policy worked up by the permanent officials becomes more and more powerful. You do not get a rebel going to the home office and saying: "I will change that." He accepts the policy of the officials. In fact, we in this country are getting to a state in which, owing to the absence of the swing of the pendulum, we have a form of papal infallibility. The lord president of the council issues a decree about the internment of all the aliens. A new "pope" comes along, with all the body of the cardinals around him in his office, and checks any tendency to deviate from the rules laid down by his predecessors.

We are getting in the home office the most conservative body of doctrine and officials, all basing themselves on what has been said and done in the past. There is no chance of breaking away.

As I see it, the minister in the Department of Justice must break away from what has been done, or in some other way bring in reforms. Law reform is a very important matter for Canada to-day. I would suggest that the minister be good enough during the recess to consider the suggestions I have indicated and adopt them.

Mr. DOUGLAS (Weyburn): What happens to the funds of organizations declared to be illegal? I have in mind for instance a case of hardship which has been brought about through an organization known as Jehovah's Witnesses. The question as to the advisability of banning or not banning their operations may be considered when we discuss further the motion to set up the committee to consider the defence of Canada regulations.

Mr. LAPOINTE (Quebec East): I am afraid the hon. member will have to wait until the estimates of the Secretary of State are before the committee. I have nothing to do with the point which has been raised. The custodian of enemy property is in charge of those matters.

Mr. HANSON (York-Sunbury): Have they any money?

Mr. LAPOINTE (Quebec East): Some of them have.

Mr. DOUGLAS (Weyburn): Does the minister mean that in the event of a Canadian citizen in Canada lending money to, let us say, Jehovah's Witnesses, and in the event of the banning of that organization, his money will go to the custodian of enemy property?

Mr. LAPOINTE (Quebec East): As a trustee, until the war is over, or the matter is disposed of. The money is not confiscated.

Mr. DOUGLAS (Weyburn): I have in mind the case of a man who lent a large sum of money to the organization known as Jehovah's Witnesses. They were paying him back at the rate of so much a month, or on an annuity basis. His entire livelihood is now cut off because he is told that his money is tied up with the custodian of enemy property. All this has come about because he lent his money to an organization which this government decided after the beginning of the war, was illegal. I believe that is most unfair.

Mr. LAPOINTE (Quebec East): A situation of that kind would be controlled by the defence of Canada regulations, and they are to be revised by the committee.

Mr. DOUGLAS (Weyburn): I am pleased to have that information from the minister.

The CHAIRMAN: Shall the item carry?

Mr. HANSON (York-Sunbury): No; do not be in a hurry. We have just begun.

Mr. LAPOINTE (Quebec East): Three hours on one item!

Mr. HANSON (York-Sunbury): This is the general item, and debate is always expected on it.

Mr. GRAYDON: I have not read the report of the penitentiaries commission for some time, but if my memory serves me correctly, there was a recommendation contained therein for the centralization of executions in Canada. In any event, some recommendation of that kind has been made, although I may be wrong when I suggest it was made in the report of the commission.

There is a feeling in many parts of Ontario—

Mr. LAPOINTE (Quebec East): That is under provincial jurisdiction.

Mr. GRAYDON: —that some move should be made toward the centralization of executions in that province. In January of this year we had the first hanging in the county of Peel for the last thirty-five years.

Mr. HOMUTH: Not enough.

Mr. GRAYDON: The man who was hanged came from Toronto. In any event, the feelings which are aroused, especially among the children, is something which I believe should be seriously considered. For some days prior to the execution, rumours fly thick and fast, and there is a good deal of talk, particularly among the children, about it. I do not think that sort of thing should be permitted in these days. I would suggest to the Minister of Justice that if anything can be done to centralize executions in Canada, in places

where they would not be carried out so publicly, it would be a worthy service to the country at large.

Mr. LAPOINTE (Quebec East): We have found out, of course, that that is entirely under provincial jurisdiction. The administration of justice is within the control of the provinces. That is why the matter of law reform, to which the hon. member for Broadview has referred, has not been dealt with more particularly. We enact the criminal law; but criminal trials, criminal courts, sheriffs and matters of that kind are under the control of the provinces.

That applies equally to executions. I have at times received from gentlemen who were applying for the position of hangman in Canada, letters specifying that they were strong and physically able to do the job and were not afraid of carrying out executions. Of course, I had to answer that I had nothing to do with the matter. The sheriff of the district where the execution is to take place is the man who is responsible. He makes arrangements with someone who is known to be an official executioner, and the sheriff takes care to apply immediately to make sure that he will get his man, because if he does not get an executioner he must do the work himself. But this is just to say that we have absolutely nothing to do with that matter.

There is another side to the question raised by my hon. friend. One of the reasons for capital punishment, whatever opinion we may have upon that method, is its deterrent effect upon the community. It has been felt for a long time that it was a good thing that the execution, if an execution had to take place, should be in the very district where the crime had been committed, that its deterrent effect was thereby the greater. I express no opinion myself, but that is the situation behind the state of things which exists to-day.

Mr. MARTIN: It may be necessary to have the executions take place in Peel.

Mr. GRAYDON: I suggest in reciprocation that the central place of execution be Windsor.

Mr. HANSON (York-Sunbury): There is another point of view. When this matter came before the public a few years ago, it was suggested that all executions in the maritime provinces should take place in the town of Dorchester, where the penitentiary is. The people of that community revolted at the idea of their town being made a Golgotha. I think they are right.

Item agreed to.

At six o'clock the committee took recess.

[Mr. Graydon.]

After Recess

The committee resumed at eight o'clock.

88. Remission service, including remuneration to members of the Royal Canadian Mounted Police force (to be expended under order in council, and not to exceed $1,600) for assistance to this service, and an amount of $10,900 to reimburse the Royal Canadian Mounted Police force the amounts disbursed by them in ordinary pay and allowances to their men on loan to this service, $50,000.

Mr. ROSS (Souris): Are applications for remissions dealt with direct by Ottawa, or does the minister have anything to do with the attorneys-general's departments of the province?

Mr. LAPOINTE (Quebec East): It is dealt with by Ottawa.

Mr. ROSS (Souris): In the matter of the reduction or remission of a sentence, does it come direct to and is it dealt with by Ottawa, or does this department have any communication with the provincial attorneys-general's departments before making a decision?

Mr. LAPOINTE (Quebec East): No. We usually ask for a report from the judge who sentenced the man, and from the warden of the penitentiary or the prison, as the case may be, in order to have every particular about the man.

Mr. CHURCH: May I ask the minister a question in connection with the mounted police? As a result of the war and some other conditions, in the cities the administration of many federal acts elsewhere administered by the mounted police devolves upon the city police commissions. They are an auxiliary and a helper of that great force. Would it not be possible for the minister to put in the estimates a sum to compensate the municipalities which are doing all this federal work for nothing? The war has placed a big responsibility upon the municipalities. It was intended that the enforcement of all federal law should be on the federal authority, but it is on the provincial attorneys general, who simply delegate it over to the police systems of the country, and the cities have to maintain a large body of men to do federal work. I forget how many statutes apply to the cities, but their enforcement costs a very large sum of money. I think the time has come when there should be some revision of this relationship, whereby our police systems would receive some subsidy.

Mr. LAPOINTE (Quebec East): I would ask hon. members kindly to wait until the item concerning the mounted police comes up, and I shall have an officer here to supply me with

the details. But I must say to my hon. friend that, as far as I can judge, the situation is the other way round. I think the Royal Canadian Mounted Police is doing more to help the provincial and municipal police than the latter are doing in the way of mounted police work.

Mr. STIRLING: Would the minister kindly explain what this rather long paragraph of item 88 means, and particularly the latter part of it?

Mr. LAPOINTE (Quebec East): This is the remission service, which is charged with the administration of the Ticket of Leave Act. Applications for tickets of leave come to that branch, and involve a very large amount of work. As far as the last part of the item is concerned, we are employing a few men of the Royal Canadian Mounted Police to do some work which was previously being done by regular employees of the department. This we are doing on account of their special qualifications, and we have to reimburse the mounted police in the amount of their salaries.

Mr. HANSON (York-Sunbury): That covers one part. It is the second item I notice on page 89 of the estimates, where the details are. One is $1,600 for remuneration, the other is for reimbursement. Is there any distinction?

Mr. LAPOINTE (Quebec East): Yes. The reimbursement is to the Royal Canadian Mounted Police.

Mr. HANSON (York-Sunbury): So is the other. If the minister has not the explanation available, I am not going to pursue the matter.

Mr. LAPOINTE (Quebec-East): I am unable to say what the distinction is between the item of $1,600 for remuneration and the item of $10,900 for reimbursement.

Mr. HANSON (York-Sunbury): I notice that this $1,600 is to be expended under order in council. I suppose it is just a sum, in special cases, for—

Mr. LAPOINTE (Quebec East): No doubt about that.

Mr. HANSON (York-Sunbury): While I am on my feet, I might say that this $1,600 must be some special remuneration which is doled out to the mounted police for special services, under order in council.

Mr. LAPOINTE (Quebec East): Yes, for assistance. I am sorry I have not any more information.

Mr. HANSON (York-Sunbury): Who is the present senior advisory counsel?

Mr. LAPOINTE (Quebec East): It is Mr. Gallagher.

Mr. HANSON (York-Sunbury): One lawyer in the branch does the whole of the work?

Mr. LAPOINTE (Quebec East): Yes. The present private secretary is an officer of that branch, but actually he is not working there because he is acting as private secretary to the minister. He is a lawyer.

Mr. HANSON (York-Sunbury): Would the minister say whether in capital cases he reads the evidence himself?

Mr. LAPOINTE (Quebec East): Oh, yes.

Mr. HANSON (York-Sunbury): I should like the minister to explain just how careful the department is in capital cases.

Mr. LAPOINTE (Quebec East): In capital cases, of course, the officers of the branch are very, very careful and particular about that special part of their work. Not only one of the officers under Mr. Gallagher, but Mr. Gallagher himself reads the evidence and he underlines all the parts which ought to be called to the attention of the minister. In cases where it is the recommendation of the officers of the branch that the law should take its course, of course it is the duty of the minister himself to read the evidence and to convince himself that that is the report which should be made to council. When the recommendation is for clemency, I always read the parts of the evidence which are specially brought to my attention, but I do not feel under the same sort of imperative duty to read every word, to look at every comma of the evidence, because the recommendation is that the law should not take its course.

Mr. NICHOLSON: Is this the procedure which is followed also in connection with applications which come to the department for the parolling of prisoners?

Mr. LAPOINTE (Quebec East): Yes.

Mr. NICHOLSON: That procedure is followed in connection with applications for parole?

Mr. LAPOINTE (Quebec East): Oh, yes. Everything comes to the minister after having been considered and studied by the officers of the branch, and after communications having been received from the various persons to whom they have applied for reports, more particularly the judge, sometimes the crown prosecutor, always the warden, as to what the conduct of the prisoner is, and, in some instances, the medical officer when the question arises.

Item agreed to.

89. Administration of Justice—miscellaneous expenditure, $6,000.

Mr. HANSON (York-Sunbury): What is this?

Mr. LAPOINTE (Quebec East): This is the cost of the administration of justice in the northwest territories to cover such matters as trials of Eskimos.

Item agreed to.

90. Expenses of litigated matters, $25,000.

Mr. HANSON (York-Sunbury): Is this the usual vote?

Mr. LAPOINTE (Quebec East): Yes.

Mr. HANSON (York-Sunbury): How much has been spent?

Mr. LAPOINTE (Quebec East): It varies from year to year. In 1936-37 it was $57,328; in 1937-38, $24,283; in 1938-39, $21,473; and in 1939-40, last year, it was $12,000 odd. The average estimated expenditure is $25,000, but only half of it was spent last year.

Item agreed to.

91. Annual contribution to the Canadian law library, London, England, $500.

(S) Attendance judicial committee of the privy council, R.S.C., chap. 105, $3,000.

Supreme Court of Canada—

(S) Judges salaries, $87,000.
Administration, $71,180.

Mr. HANSON (York-Sunbury): The item of $3,000 is marked statutory. I do not think it is quite in that category. It is provided under a statute, but the statute is entirely permissive. Section 22 of the Judges Act provides that the governor in council may pay the expenses of travelling and living while in attendance, in a sum not exceeding $3,000, to a member of his majesty's privy council who is eligible to be a member of the judicial committee and who attends any sitting thereof. What is the situation at the present time with regard to the hearing of appeals by the judicial committee? Are they hearing appeals?

Mr. LAPOINTE (Quebec East): They are hearing appeals, but not many Canadian litigants are taking advantage of it. We have cases which have been postponed until after the war. I have in mind a couple of cases with the government of Ontario. The committee is, however, sitting. The amount is put in the estimate, but I have the conviction that the chief justice will not go this year.

Mr. HANSON (York-Sunbury): We have in our own office two cases which are in exactly the same position. There is nothing to prevent people from going to the old country and having appeals heard.

[Mr. E. Lapointe.]

Mr. LAPOINTE (Quebec East): Absolutely nothing.

Mr. HANSON (York-Sunbury): There is no suspension?

Mr. LAPOINTE (Quebec East): No.

Item agreed to.

92. Administration—Exchequer Court of Canada—judges salaries and travelling allowances of admiralty judges, $24,800.

Mr. BROOKS: I understand there is a vacancy in the king's bench division in New Brunswick through the resignation of the chief justice. As the minister no doubt knows, the chief justice has been ill for a number of years and has not been able to discharge his duties on the bench. Mr. Justice Le Blanc has had other work to do in connection with the Farmers' Creditors Arrangement Act and considerable work has been piling up on the king's bench. May I ask when an appointment will be made? May we expect one soon, and does the minister feel constrained to tell us whom he has in mind for the appointment?

Mr. LAPOINTE (Quebec East): My hon. friend is asking a little too much. Perhaps I am doing my bit in the field of economy by waiting before filling the vacancy. There is another vacancy in Canada. There are only two vacancies on the bench, one in New Brunswick and another in Manitoba. I have made investigations and have been informed that the work is not suffering at all. There has been a great decline in litigation in all the provinces, so much so that I was told by the judges of the Supreme Court of Canada that for the first time since the court was established there was, at the last term, not a case from my own province. Therefore litigants are not very active anywhere, and so long as we do not appoint a judge either in New Brunswick or in Manitoba, we have no salary to pay. That is an economy. My hon. friend may be sure that if it appears to me or if I am informed that an appointment is necessary, I shall see to it that one is made. As to who the appointee will be, I respectfully decline to tell my hon. friend.

Mr. HANSON (York-Sunbury): I am not quarrelling with the minister's decision to save the salary of the king's bench judge. May I point out the exact position in New Brunswick. Years ago we had a bench of five or six members—a chief justice, a judge in equity and the others on circuit. They all met and formed a court *en banc* and no judge sat on appeal from his own decision. Subsequently, about thirty years ago, they decided to change the procedure, and they formed three divisions of the court.

Mr. LAPOINTE (Quebec East): The province did it.

Mr. HANSON (York-Sunbury): Yes. There was the king's bench, consisting of four judges who did circuit work; there was the chancery division, consisting of the chief justice and two associate justices; the chancery judges formed the appeal division; and in case of an appeal from one of their decisions, the chief justice of the king's bench was called in. Owing to the decline in litigation, the number of appeals has decreased remarkably—there is no doubt about that—and the judges of the chancery division have very little work to do, so little that one of them has been lent to the government in connection with one of the taxation measures passed last year. I am sure he is at the present time doing useful work there.

Mr. LAPOINTE (Quebec East): It is one of the appeal courts.

Mr. HANSON (York-Sunbury): He is a member of the chancery division and the appeal court. With regard to the kings bench division, the chief justice of that division has not heard a case for three years, and he has now resigned. Mr. Justice Le Blanc has in recent years been doing all the work under the Farmers' Creditors Arrangement Act, with the result that there have been only two king's bench judges active in the trial of cases; and until very recently I know they were very busy, and in arrears. The whole position in New Brunswick is top-heavy and ought to be rearranged. I quite realize that this is a matter entirely for the province. If they were to create new positions in New Brunswick they would expect this government to make the appointments and pay the salaries of those appointed. I think negotiations ought to be entered into with the government of New Brunswick to effect some permanent savings there, because the judges on the court of appeal do not have enough to do; make no mistake about that. As a matter of fact, at the last session of that court, opened the other day, there was just one case on the docket. Imagine paying three judges gross salaries of $28,000 a year with a term of the court having just one case! The situation is ridiculous. We are top-heavy.

I think the same thing is in a measure true of the county court bench. There are too many county court judges, six in that little province, drawing $5,000 a year salary and travelling expenses. Here is a case where there could be a substantial saving. I do not suggest that the government should ask the province of New Brunswick to pass legislation eliminating any of the judges now living; but as these men die or are pensioned off, having arrived at the age of seventy-five, the government might very well reduce the number. That would not be pleasing to some of the boys I know, I do not care what political complexion they are, but it would be a good thing for the taxpayers of Canada. What is true of New Brunswick I fancy is true, perhaps in a lesser degree, of certain other provinces.

I am looking over these estimates and, if I am correct, there are sixty-five county court judges in Ontario. Is that correct?

Mr. LAPOINTE (Quebec East): I wonder.

Mr. HANSON (York-Sunbury): It seems an extraordinary number. Members of the bar from that province may say that some of those county court judges are exceedingly busy. There is no doubt of that, but I suggest that some of them have very little to do. In the interest of national economy in war time, I suggest to the minister that he take this matter up, at least with the province of New Brunswick.

Mr. LAPOINTE (Quebec East): I have no doubt the remarks of my hon. friend will be heard—

Mr. HANSON (York-Sunbury): In New Brunswick.

Mr. LAPOINTE (Quebec East): —in New Brunswick.

Mr. CHURCH: How many admiralty judges are there at present in Ontario?

Mr. LAPOINTE (Quebec East): Only one.

Mr. CHURCH: What title have they? In the past the admiralty judge in Ontario was a member of the high court of justice, and afterwards a county court judge was appointed. What title has he?

Mr. LAPOINTE (Quebec East): Judge in admiralty. I do not know whether he should be called "Mr. Justice." I have no objection, as far as I am concerned.

Mr. CHURCH: We had an admiral in this high court of parliament; he has gone to another place now.

Mr. LAPOINTE (Quebec East): Is my hon. friend suggesting that we should give him an increase in salary?

Mr. CHURCH: I am wondering whether a lawyer appointed judge in admiralty is to be addressed as Mr. Justice. The admiralty court is a federal court. Supreme court judges have

held the office, county court judges would not be entitled to it, and surely a lawyer would be just "His Honour".

The CHAIRMAN: I would point out that this discussion has been out of order from the beginning, because the item under consideration is, "Administration, Exchequer Court of Canada," and most of the discussion has been with regard to provincial high courts.

Mr. HANSON (York-Sunbury): Strictly speaking, Mr. Chairman, you may be correct, but I ask for indulgence.

The CHAIRMAN: There should be some relation between the item and the discussion.

Mr. HANSON (York-Sunbury): Looking at page 95 of the estimates, I should like some information about pensions to judges. There does not seem to be any particular item under which we can discuss that. I am puzzled to know why Sir Charles Fitzpatrick, who was for many years a distinguished ornament of this house as Minister of Justice, and subsequently chief justice of the Supreme Court of Canada, should get only $6,666, while Mr. Justice Smith, who was a puisné judge of the Supreme Court of Canada, gets $8,000, and my very learned friend Mr. Justice Mignault gets $12,000. I do not criticize the amounts, but I should like an explanation.

Mr. LAPOINTE (Quebec East): When Sir Charles Fitzpatrick retired to become lieutenant-governor of Quebec, he got the superannuation then fixed by law, two-thirds of his salary. The salary then was not what it has become since for the chief justice of the supreme court. In 1921, the salaries of the supreme court judges were increased to $12,000 for the puisné judges, and $15,000 for the chief justice. Then, in 1927 or thereabouts parliament enacted a law retiring the judges of the federal courts, namely, the Supreme Court of Canada and the exchequer court, compulsorily when they reached the age of seventy-five, but it was then enacted that those who had been appointed before this law came into force should retire at that age but with their full salary, because they had been appointed for life at that salary.

Mr. HANSON (York-Sunbury): I should like to point out that under a return brought down here the other day in answer to a question put on the order paper by the hon. member for York East, Canada is paying this year for superannuation of retired judges, $307,133.30, a rather staggering sum.

Mr. LAPOINTE (Quebec East): Yes. Of course there are the judges both of the Supreme Court of Canada and the exchequer court, and the judges of the various provincial superior courts. When they are sick or unable to fulfil their duties, they retire with two-thirds of their salary. Then there are the county court judges all over Canada; when they are seventy-five years of age they have the right to retire with their full salary. When they retire because of illness before they are seventy-five years of age, they receive two-thirds of their salary. It does constitute a quite large amount when the total is shown.

Mr. HANSON (York-Sunbury): It is the law, anyway.

Mr. LAPOINTE (Quebec East): Yes, it is the law.

Mr. WHITE: The Minister of Justice has just pointed out that there has been a great decrease in the amount of litigation, especially in the Supreme Court of Canada. I notice that the salary of the registrar of the supreme court, which is a recent appointment, has been increased by $1,500. Will the minister please explain that, in view of his own statement?

Mr. LAPOINTE (Quebec East): Under the law, the salary of the registrar of the Supreme Court of Canada is fixed by the governor in council and must not exceed $8,000. When the Beatty commission investigated the matter of the higher officers in the civil service, it classified the clerk of the House of Commons, the clerk of the Senate and the registrar of the supreme court together, because each had the rank of deputy minister, and recommended that the salary should be $7,500. Parliament acted accordingly with regard to the clerk of the House of Commons and the clerk of the Senate; their salaries were increased to $7,500, and now the salary of the registrar of the supreme court is placed on the same basis. Of course the registrar sits in chambers, hears motions and carries on a good deal of the procedure of that court; he has a large staff. I could not very well give effect to that recommendation during the last few years because the gentleman who occupied that position, who was a very good registrar, had reached the age where he should have retired, and each year I had to plead with the treasury board to extend his time for another year. In those circumstances I could not very well recommend an increase in salary. I think this is the right thing to do.

Mr. HANSON (York-Sunbury): There may be something in what the minister has just said as to the reason for increasing this salary, but my recollection is that the Beatty report was made nearly twenty years ago.

Mr. LAPOINTE (Quebec East): Oh, no.

Mr. HANSON (York-Sunbury): Well, long anterior to 1930; I will put it in that way.

Mr. LAPOINTE (Quebec East): No. I have it here.

Mr. HANSON (York-Sunbury): Then what is the date?

Mr. LAPOINTE (Quebec East): February, 1930.

Mr. HANSON (York-Sunbury): Very well. In making an appointment after that, the government did not see fit to increase the salary to $7,500. A very competent man was found in the city of Ottawa who was willing to accept this position at $6,000, with free office, free staff, free everything; and I never heard any complaint at all about the work done by the former registrar for $6,000. To me it does seem a little strange that in war time we should increase this salary by 25 per cent. I am going to register a protest against the principle, and I shall have to leave it there. I wish to point out to the committee and to the country that this is not economy in the normal activity of government in war time.

Mr. NICHOLSON: I should like to support what has just been said by the leader of the opposition. During a time like this, when we are appealing to the people of Canada to make sacrifices and our people are making them, I think it is very difficult to justify an increase of 25 per cent in the salary of the registrar, who last year received $6,000. To me it seems that all these allowances are entirely out of line with what is being received by the great majority of the people of Canada, and I think this amount should be left as it was.

Mr. POULIOT: Some months ago, when I saw some criticism with regard to the readjustment of the salary of the registrar of the Supreme Court of Canada, I was very much surprised at the stand taken by some Tory members and especially by the Pickwickian leader of the opposition. Why single out this case, in which there is not an increase but a readjustment of salary, when we see all the promotions that have been made on the recommendation of the civil service commission throughout the various departments? Why single out this case? Is it because the present appointee was formerly a member of the Hepburn government, and the leader of the opposition wants to show his rancour towards Mr. Hepburn by criticizing one of his former colleagues? I wonder whether that is the reason. Why does the hon. gentleman not say something about Tories who have obtained promotions by being transferred from one department to another, men who are pests in some departments and who receive extravagant salaries? I would move that the salary of the leader of the opposition be reduced to $1. He is just as efficient as the other dollar-a-year men, and he should be treated in the same way. I should like him to tell the committee why he has singled out this case, whether it is to satisfy his rancour against Mr. Hepburn and his government.

Item agreed to.

95. Payments of gratuities to the widows or to any dependent children, of judges who die while in office, $15,000.

Mr. GRAYDON: Would the minister give us the particulars with regard to this item?

Mr. LAPOINTE (Quebec East): There is nothing in the law about it, but it is a tradition of very long standing that when a judge dies in office, an allowance or gratuity amounting to two months' salary is paid to his widow.

Mr. HANSON (York-Sunbury): Referring to the statutory item of $2,040,600 for judges' salaries and travelling allowances, may I call the minister's attention to a paragraph appearing on page 146 of the auditor general's report for the year ended March 31, 1940, and ask him to explain a certain apparent lack of uniformity:

> Section 21 of the Judges Act stipulates that the travel allowance to a superior court judge shall be "in addition to his moving or transportation expenses, the sum of ten dollars for each day, etc." This was not uniformly applied. Judges travelling between Quebec and Montreal were paid on a basis of $25 for transportation expenses; and judges travelling between Vancouver and Victoria on a basis of $15 for transportation. Others were paid their actual moving expenses.

There we have three categories. Will the minister be good enough to tell us the reason for this lack of uniformity, and whether any steps, as suggested, I think, by the auditor general, have been taken to deal with the situation?

Mr. LAPOINTE (Quebec East): So far as I remember, the auditor general merely calls attention to the discrepancy. He does not suggest a change. As a matter of fact, it is a long standing practice, and was in operation long before I came to the department. Judges of the appeal court in Quebec travel from Quebec to Montreal and from Montreal to Quebec almost continuously. It is an arrangement which went on in years gone by between the chief justice and the Department of Justice whereby, instead of sending their bills for $10 a day, plus transportation expenses, they would be paid $25 for each trip to Montreal or to Quebec. I am told that it works rather to the advantage of the department, and that while the amount is less, the

judges like it better. It is not done strictly under the law, but it is an agreement which has been accepted.

Mr. HANSON (York-Sunbury): It has gained force of law through custom.

Mr. LAPOINTE (Quebec East): Yes.

Mr. HANSON (York-Sunbury): Is the same thing true of British Columbia?

Mr. LAPOINTE (Quebec East): The same thing between Victoria and Vancouver.

Mr. HANSON (York-Sunbury): It grew up, just like Topsy.

Mr. LAPOINTE (Quebec East): Yes.

Mr. HAZEN: Of this amount of $2,040,600, how much is salaries and how much travelling expenses?

Mr. LAPOINTE (Quebec East): I am sorry I cannot give the information. Of course this amount does not need to be voted. It is statutory, and that is the reason why I have not the explanation. I can, however, supply it to my hon. friend at any time.

Mr. CHURCH: Under the British North America Act the dominion need pay only the salaries of high court, superior court and county court judges in the provinces. The payment of travelling expenses is an innovation. I doubt whether such payment could be justified under the British North America Act. The travelling expenses must be provided by the provinces for provincial courts and their constitution and administration. They provide the money for the expenses of division court and county court judges. The payment of travelling expenses is an innovation of recent years, and I suggest that the provinces should look after them.

Mr. LAPOINTE (Quebec East): If my hon. friend will look at page 92 of the estimates, he will find details of the travelling allowances in each province. For instance, in New Brunswick it is stated to be $11,000.

Mr. HANSON (York-Sunbury): About $150,000 altogether.

Mr. LAPOINTE (Quebec East): Yes.

Mr. CHURCH: I was a member of a select committee of the House of Commons which considered judges' salaries and travelling and other allowances. That committee, which sat a few years ago, was presided over by Senator Duff, and the late W. A. Boys, who at that time was member for Antigonish-Guysborough. It was contended before that committee that allowances for travelling expenses should be paid by the provinces. Some of the judges appearing before the committee to present their case showed the cost accounts for the maintenance of their automobiles, and all that sort of thing. That select committee considered the functions of the dominion and the provinces, so far as judges and their expenses were concerned. It was urged that the dominion was obligated to pay only judges' salaries in federal and provincial courts. The Minister of Justice may appoint judges to the superior and county courts, but it is the duty and the function of the provinces to pay any outside allowances.

The board of transport commissioners should have some discretion in the matter. While the government cannot afford to pay a few dollars to carry the soldiers, yet it can afford over $2,000,000 for salaries and travelling allowances of judges.

Mr. LAPOINTE (Quebec East): Travelling expenses of judges of the superior and county courts, in carrying out the work of those courts, have to be paid by the federal parliament. In some provinces, judges of the county courts do outside work for the provinces. Even at this very session of the Ontario legislature a bill is being placed before the house for the purpose of paying travelling expenses of county court judges who may do provincial work outside the county court seats. We have declined to pay travelling expenses of judges who do that sort of work.

Mr. GRAYDON: It was a matter of some controversy in the committee.

Mr. LAPOINTE (Quebec East): Yes.

Mr. GERSHAW: Would the minister explain the procedure in the event of a county court judgeship becoming vacant? In my constituency the county court judge died a few years ago, and since that time no appointment has been made. Judges do come in, of course, but it is a great inconvenience not to have a resident judge. It is claimed, too, that the expenses come to about as much as the salary of a resident judge would be. What is the procedure to be followed?

Mr. LAPOINTE (Quebec East): I cannot speak accurately from memory, but I have a vague notion the government of Alberta suggested that this vacancy should not be filled, that there was not sufficient work, and that for purposes of economy the money might be saved. I shall, however, take the trouble to look into the matter so that I may reply more accurately.

Mr. DIEFENBAKER: The minister has mentioned a considerable reduction in litigation during the last year, and a consequent reduction in the amount of work done by

the judges. In the western provinces the superior court judges also act as chairmen of the boards of review set up under the provisions of the Farmers' Creditors Arrangement Act. Do they receive, as chairmen of boards of review, any additional salary over and above their statutory salaries?

Mr. LAPOINTE (Quebec East): No, they do not.

Mr. DIEFENBAKER: Any daily allowance, or anything of that sort?

Mr. LAPOINTE (Quebec East): Travelling allowances.

Mr. NICHOLSON: I notice that there are 270 judges who are paid salaries and expenses to an amount over $2,000,000. I understand that from time to time they are engaged in other work. How many judges are engaged in that type of work at the present time, and what is the procedure in obtaining leave of absence from their regular duties?

Mr. LAPOINTE (Quebec East): The work is done by their colleagues on the same court. When, however, a judge is fully engaged doing his own judicial work, it is not the usual practice to appoint him to do some other work. Before appointing a judge to any commission, we make a practice to communicate with the chief justice and, in certain instances, the attorney general of a province, in order to ascertain whether a judge's services may be secured for the work we may have in mind.

Mr. NICHOLSON: How many are so acting at the present time?

Mr. LAPOINTE (Quebec East): I would not say offhand.

Mr. HANSON (York-Sunbury): There are two right here in Ottawa.

Mr. LAPOINTE (Quebec East): I cannot say. Speaking roughly, I would say there are six or eight. For instance, there is one judge of the Manitoba bench who is on active service in England. I refer to Judge Montague. Then there is Judge Davis who is in the Department of National War Services. Mr. Justice Martin is acting as rent controller. Mr. Harrison of New Brunswick is also working hard. Mr. Justice McTague is much in demand; in fact, I have to object sometimes because he is taken away from his work on the appeal court bench in Ontario. He is a valuable member of the court and is doing great work wherever he is called, but that is no reason for having the willing horse do all the work.

Mr. HANSON (York-Sunbury): I would ask the minister about another situation that sometimes arises under provincial legislation. I have in mind the case of a supreme court judge in one province who acted as sole arbitrator in an expropriation by a hydro-electric commission in a certain province. The case involved extensive litigation and ultimately went to the privy council. The clients whom I represented, so to speak, bought into this lawsuit in the course of the litigation. We were unwilling participants, but we had to see the thing through and pay the bills ultimately. This judge made his award and put the award in the bank. Then he notified counsel that when they had paid the bill they would get the award. The bill was for $3,500, and against my protest the bill was paid, the award being then released. What about a case like that? Is that not clearly outside the law?

Mr. LAPOINTE (Quebec East): I have no knowledge of the circumstances—

Mr. HANSON (York-Sunbury): I am stating a principle.

Mr. LAPOINTE (Quebec East): —and I would hesitate to give an opinion.

Mr. CHURCH: According to the details, provision is being made for twelve judges of the high court of justice for Ontario and for seven justices of appeal. Some of the judges of the high court of justice for Ontario and of the court of appeal are being engaged on commissions and in war work, and some are sick at times, with the result that there is often a scarcity of judges for the law courts, the twelve judges sometimes being reduced to eight. Has the minister not some regulation or control over that situation, or is it under provincial control? They are under the Attorney General of Canada, and we are being asked to provide $108,000 for these twelve judges. Who is going to do their work when they are engaged on commissions and in war work other than judicial work?

Mr. LAPOINTE (Quebec East): When they are appointed to a commission, that is only done after having communicated with their chief justice, and, in most instances, with the attorney general, to ensure that the work of the court does not suffer. The amount paid is the same.

Item agreed to.

Penitentiaries branch.

96. Branch administration, $110,350.

Mr. POULIOT: On March 2, 1939, I made some remarks on the establishment of the proposed penitentiaries commission, which remarks will be found at pages 1478-1481 of

Hansard of that session. I still maintain the same view that I then expressed, that the Minister of Justice himself can look after the penitentiaries better than any commission. He has done so in the past for a great many years and I have every confidence in him.

I do not see the necessity for any such commission; besides that, I have always been opposed to the establishment of managing or administrative commissions, and this would be one of them. The result of the work of most investigating commissions is to suggest the creation of an administrative commission, and once these administrative commissions are set up it is very difficult for members of the house to get information with regard to their work. That is the case with the broadcasting corporation, for example. I am therefore opposed to this proposed commission.

I am opposed to it also because I am interested in the welfare of the prisoners in the penitentiaries, provided that one is not too lenient with them, for, of course, when they are condemned by a court, it is not because of the good actions they have done. On the other hand, they are entitled to justice. The fact of their being condemned to the penitentiary does not deprive them of their citizenship or change them from being human beings. We must therefore see to it that they are treated fairly. Moreover, we should try to make good citizens out of them.

The way to keep control over the administration of our penitentiaries is to leave parliament free to inquire into their management. We can do so when the minister is head of the penitentiaries, but if that work was delegated to a commission it would be most difficult for members of the house to get any information about the penitentiaries. I do not say that to contradict our respected and beloved Minister of Justice. I say it because I believe it and because also in the Liberal party we have the right to express our views freely. We are not rubber stamps, as the leader of the opposition very improperly suggested the other day in quite an offensive way. I do not know what member of the house or of this committee would call Jean-François Pouliot a rubber stamp. Is he not a good Liberal? Once more the leader of the opposition was all wrong.

I hope the minister will take into consideration the views I have expressed. I remember that last year one of the bright members for Vancouver, the hon. member for Vancouver South (Mr. Green)—he sits on the other side of the house but he is bright nevertheless—suggested that appointments should be made to the proposed penitentiaries commission. I fought against that. A year has since passed and no commission has been appointed, and I thank the minister from the bottom of my heart for not having made any such appointments. I hope he will continue in the right way to have charge of the penitentiaries himself against all the hopes that may be expressed in another direction.

[Mr. Pouliot.]

Mr. CASTLEDEN: I want the details with regard to the $750 "honorarium to acting superintendent for special additional services." To whom is that paid, and what is the nature of the service?

Mr. LAPOINTE (Quebec East): It is remuneration to the acting superintendent, and his salary is still less than he would receive if he had been appointed superintendent. No appointment has been made because of the intention to establish a commission of three members, and during the time that this is not being done the whole work of a superintendent is being performed by the assistant. This is to give him a little additional allowance for that extra work.

Mr. CASTLEDEN: Where does his regular salary appear in these estimates?

Mr. LAPOINTE (Quebec East): It is the third item on page 93 under the title "penitentiaries branch, branch administration."

Mr. CASTLEDEN: Inspectors?

Mr. LAPOINTE (Quebec East): Yes. He is one of them.

Mr. HANSON (York-Sunbury): I am glad to see that there is a very substantial saving in this item, and I duly offer my congratulations to the minister. I notice that there is one inspector less than a year ago, with a resultant saving of $3,420, and it is one of these two who is performing the duties of the superintendent of penitentiaries and to whom the government is giving an extra allowance of $750. I have no objection to that. He is the acting superintendent; what is his name?

Mr. LAPOINTE (Quebec East): Inspector Sauvant.

Mr. HANSON (York-Sunbury): Who are the others?

Mr. LAPOINTE (Quebec East): There are two. Another is on active service. The two are Inspector O'Leary and Inspector Shortt.

Item agreed to.

Penitentiaries branch.

97. Operation and maintenance of penitentiaries, including administration, construction, purchase of land, supplies, equipment and livestock; maintenance, discharge and transfer of convicts; compensation to discharge of convicts permanently disabled while in penitentiaries, $2,912,685.

Mr. HANSON (York-Sunbury): I notice that the sum to be voted is exactly the same

as last year. Was that the amount spent last year? Does it vary, or is it a constant item?

Mr. LAPOINTE (Quebec East): I think that is the amount which was spent last year. There is a decrease in the amount provided for the removal of prisoners from one penitentiary to another; but of course I told the treasury board, which has been very keen on reductions, that I was hoping that there would be no necessity for transference of convicts. If the need arises, we shall have to find a way of meeting the expense.

Mr. HANSON (York-Sunbury): Are employees of the administrative branch of the penitentiaries appointed by the civil service commission?

Mr. LAPOINTE (Quebec East): In the administrative branch, yes.

Mr. HANSON (York-Sunbury): What about the guards? Are they selected by the warden?

Mr. LAPOINTE (Quebec East): Yes, and by selective competition. There is an eligible list, and the warden selects these men—

Mr. HANSON (York-Sunbury): After all, he is the main man in connection with that?

Mr. LAPOINTE (Quebec East): He is the main man.

Mr. CASSELMAN (Grenville-Dundas): Would the minister give us some information with respect to the last clause of this item, "compensation to discharged convicts permanently disabled while in penitentiaries"? What money has been paid in the last year under this item? I think the minister realizes why I am asking this. I believe that in the last two weeks he has received a request from a United States citizen who has a brother in Canada—whose name I do not wish to mention—who was permanently disabled while in a penitentiary in the vicinity of Montreal. I believe that some two or three years ago some money was paid to this man, and I understand his present condition is such that he requires continuous medical attention. At the present time he is, I believe, confined to Burwash penitentiary. I ask for this information with the object of enabling me to reply to the letter I have received. I endeavoured to see the minister to-day, but unfortunately was not able to meet him.

Mr. LAPOINTE (Quebec East): If my hon. friend will kindly let me investigate this, I will give him all the particulars, and if it is possible to meet his wishes I shall be pleased to do so.

Mr. HANSON (York-Sunbury): Is it a new item? I am speaking of compensation. I never saw it before, that I can recall.

Mr. LAPOINTE (Quebec East): It was there before.

Mr. DUPUIS: When this item last came up I inquired from the minister if there were any chance for the guards in the penitentiaries to have their salaries reconsidered, and I was told that this question was under consideration by the department. I see that there are 198 guards at $1,500; ninety-four at $1,320; one at $1,305; nine at $1,290; 55 at $1,275; one at $1,260, and fifty-two at $1,200. Would the minister be good enough to tell me if those charged with reviewing this matter have made a change for the better? I submit to the committee that the function of a guard is a responsible one, and is hard to fulfil.

Mr. HANSON (York-Sunbury): Many people want to be guards.

Mr. DUPUIS: Not many hon. members know that these guards are on duty eleven consecutive hours, and they are bound to their duty on the wall. They have to stay there, walking on the wall, whatever may be the weather. Whether it rains or snows or fogs, they have to stay there and do their duty; and I may say, to the honour of this body of guards, that they are fulfilling their duties to the satisfaction of their superiors.

I am inclined to think that as soon as a man is appointed guard of a penitentiary, he should have equal treatment with the other guards, irrespective of the number of years of service.

I wonder whether the minister would consider the suggestion? Of course I cannot do anything in the way of moving an amendment because I am not entitled to do so, but I humbly suggest that the salary should be increased.

Moreover, I would point out to the minister that, for the good administration of this branch, it would be wise to reduce the hours. Eleven hours is a very long period of duty for a man assigned to such functions.

Although I am one of those who believe that in these terrible times we should not increase salaries unnecessarily, nevertheless I submit that this is a special case and should receive the best attention possible. I have in mind the position of the guards at the penitentiary at St. Vincent de Paul near Montreal. Twelve hundred dollars a year is not a very large salary when one considers that in these small towns very often the merchants, grocers and butchers form a combine to skin poor people, so that at the end

of the month they have hardly enough money to pay the expenses incurred by their families and to bring up their children as other citizens do. I am quite convinced that $25 a week is not enough. I make the suggestion in good faith hoping that the department and this committee will give it proper consideration. I trust that hon. members will express their views on the question and support the stand I have taken if they see fit to do so.

Mr. SHAW: Will the minister explain the procedure followed and the nature and extent of the compensation paid to discharged convicts who have become permanently disabled while in the penitentiary?

Mr. LAPOINTE (Quebec East): There is no fixed mode of procedure. The compensation is arranged as fairly as possible, but there is no regular way of doing it.

Mr. SHAW: Is the compensation deemed sufficient to enable the man to provide a living for himself?

Mr. LAPOINTE (Quebec East): It depends, of course, on the nature of the injury and the extent to which it renders the man incapable of earning his living after. We try to be as fair as possible.

Mr. CASTLEDEN: Who decides that?

Mr. LAPOINTE (Quebec East): The department does.

Mr. CASTLEDEN: It comes from the department?

Mr. LAPOINTE (Quebec East): Yes.

Mr. POULIOT: I wish to ask the Minister of Justice a question, and in reply he can furnish me with personal information in writing afterwards. I should like to know the total amount that has been paid to Mr. Justice Newton Rowell from the time he resigned as a member of parliament to the time he was appointed to the bench, in the form of fees, advances—

Mr. LAPOINTE (Quebec East): Suppose my hon. friend write me about the matter.

Mr. POULIOT: —and travelling expenses as well as living allowance—everything paid him. I said to Mr. Bennett one day while he was Prime Minister, that this gentleman was well looked after, and Mr. Bennett replied, "You bet". I want to know, therefore, how much he has cost the country.

Mr. HANSON (York-Sunbury): I am sure the minister cannot turn a deaf ear to the hon. member for Chambly-Rouville (Mr. Dupuis), but he can explain that, in addition to the salaries mentioned, these gentlemen get a good many perquisites in the shape of free rent, fuel, light, meals, uniform and other things too numerous to mention.

Mr. LAPOINTE (Quebec East): I have no trouble in finding men to replace them when there are vacancies.

Mr. DUPUIS: For the information of the leader of the opposition, I may say that the perquisites they receive are not as substantial as he suggests. If I mistake not, they must bring their lunch. Moreover, they do not all get free rent and I am sure most of them have to pay high rentals. There is only the matter of uniforms. Apart from that, I do not believe they receive much.

Mr. CASSELMAN (Grenville-Dundas): I realize that the minister has not his deputy beside him and will therefore find it difficult to give definite information, but I should like to be given some information with regard to the item I referred to a minute ago, namely, the compensation that has been paid to discharged convicts permanently disabled while in penitentiaries, and the circumstances.

Mr. LAPOINTE (Quebec East): Does the superintendent know the name of the man to whom my hon. friend refers?

Mr. CASSELMAN (Grenville-Dundas): I am not interested merely in one man. I should like to know whether there is a course of action in the department under which, when people suffer permanent injuries in these institutions, compensation is paid them. It is a question of policy.

I should like the minister to answer one more question. Let us say that a settlement has been made with an individual in the last four or five years. Is the minister going to take the stand that because the department has a release from this person, who may have undergone many mental tests to disclose what his capacity was, the possession of his signature is an end of the matter?

Mr. LAPOINTE (Quebec East): No; it depends on all the circumstances. I can promise my hon. friend that I will consider the matter as carefully as possible, and if the man has been treated unfairly I will see that an adjustment is made.

Mr. CASSELMAN (Grenville-Dundas): That is quite satisfactory.

Item agreed to.

98. Pensions and other benefits—William Tatton, $564.

Mr. HANSON (York-Sunbury): This is an old friend?

Mr. LAPOINTE (Quebec East): Yes. It was authorized by order in council of June 2, 1922. He is an ex-guard at Kingston. The amount has been voted every year, but I do not know what the original basis of compensation was.

Mr. NICHOLSON: Does this include pensions to retired judges?

Mr. LAPOINTE (Quebec East): That is all statutory.

Mr. NICHOLSON: I wonder whether there is anything we can do about the matter. It seems to me that this is a very large item. Some fifty-eight judges are receiving pensions of $302,000 or an average of over $434 each a month. What is the procedure in connection with reducing such an item?

Mr. LAPOINTE (Quebec East): We cannot. In fact, the views of most of those who speak about this matter would have the effect of increasing the pensions. There is a strong feeling in many quarters that when a judge has reached a certain age he ought to be pensioned and replaced by a younger man.

Mr. NICHOLSON: What is the age?

Mr. LAPOINTE (Quebec East): Seventy-five.

Mr. NICHOLSON: That is compulsory?

Mr. LAPOINTE (Quebec East): That is what is being done in the Supreme Court of Canada and the exchequer court, because we have the right to do that; but in the provincial courts, under the British North America Act, the judges are appointed for life. We cannot enact a statute concerning that as we did for the supreme court. If they retire because of old age or incapacity, they are entitled to two-thirds of their salary. This parliament has considered a couple of times the possibility of retiring all the judges when they reach the age of seventy-five; but we have not been able to find a legal way of doing it, except to refuse to pay their salary, and that has been considered rather an arbitrary thing to do.

Mr. GRAYDON: Has the government given consideration to the matter of judges' pensions as far as future appointments are concerned? I realize that many judges might have taken the positions they have on the understanding that they were going to receive not only the salary but also a certain security for life. But what about future appointments? After all, in these days—

Mr. MARTIN: Has the hon. gentleman considered the great danger as far as his own personal position is concerned?

Mr. GRAYDON: As far as my personal position is concerned, I have always taken an unselfish attitude. I was really thinking of the hon. member for Essex East (Mr. Martin). But in these days, when so much stress is being laid on equality of sacrifice and equality all along the line, while I would not, perhaps, be in favour of disturbing present arrangements, it does seem that the government might give consideration to making it a condition of appointments made in the future that they will retire at a certain age and will have the same kind of retiring allowance as members of parliament and other lesser figures in the dominion sphere.

Mr. LAPOINTE (Quebec East): Under the British North America Act, we have not the right to do that.

Mr. NICHOLSON: Has consideration been given to the question of requiring judges to pay into a superannuation fund from which they would be able to draw benefits on reaching retirement age? Something should be done in connection with these very large pensions. I have had a great deal of correspondence with regard to old age pensions in my constituency, people having great difficulty in getting the $20 a month provided for in our province. Those pensions are really a loan on the security of the pensioners' property; their relatives have to repay the amount of the pension after the pensioner dies. Has the minister given consideration to requiring judges to make such contributions?

Mr. LAPOINTE (Quebec East): Yes; I have discussed that with many judges, who favour this proposal provided their widows would be entitled to half their pension, as widows of civil servants are under the Civil Service Superannuation Act. There are objections, but the suggestion deserves to be carefully studied; there is much merit in it. But it will have to be coupled with an indemnity to the widows when the judges die.

Mr. GRAYDON: Are the judges not paid under the Judges Act?

Mr. LAPOINTE (Quebec East): Yes.

Mr. GRAYDON: Is there any reason why the Judges Act should not be amended? Surely we do not have to be bound by the answer that the British North America Act does not permit us to do this. When we wanted to give the working men a little benefit by an unemployment insurance act, which required an amendment of the British North America Act, it went through so quickly we could hardly get into the house before it passed. I urge the Minister of Justice to consider seriously whether, if the law does not permit

him to do the things we suggest, the law could not be changed relative to future appointments.

Item agreed to.

Royal Canadian Mounted Police.

318. General administration, $216,503.

Mr. GREEN: What is the present strength of the Royal Canadian Mounted Police? I believe the minister stated last year that it was to be increased considerably. On March 31, 1940, I believe there were 2,552 exclusive of special constable guards. Also, how are these young men selected and trained?

Mr. LAPOINTE (Quebec East): The main estimates provide for a total strength of 2,515. But under the War Appropriation Act we have, I think, 2,000 special constables, and out of the increase of 500 new members we have enlisted so far, 250, so the total force would be about 4,700.

Mr. GREEN: What about recruiting and training? What length of time does the training take?

Mr. LAPOINTE (Quebec East): They have to meet the ordinary rules and regulations. We have applications, not so many as before the war because a very large number of young men who are physically fit and who would meet the educational requirements have enlisted. The officers of the force are still very strict as to the requirements, but we hope to find the remainder of the five hundred in the near future.

Mr. GREEN: Are the standards of the old force being maintained in the training?

Mr. LAPOINTE (Quebec East): Yes; rather enhanced.

Mr. CHURCH: The commissioner is getting a very fine type of new recruit in the extension programme of this fine police department, and I was wondering whether the work of the home guard and the provost marshals could not be coordinated with the work of the mounted police, particularly in cities like Ottawa and other centres. I think the mounted police might do the work more efficiently and thus avoid a great deal of duplication, because many members of the mounted police are returned men. The federal power should pay for home guards of all public property and provost marshals.

Mr. LAPOINTE (Quebec East): We are using veterans of the last war for guard duty; in fact we have 1,600 of them at work at the present time.

Mr. ROSS (Souris): In Manitoba, where the mounted police have taken over all police work, what authority has the attorney general's department over them? How do they fit into the picture as compared with Ottawa?

Mr. LAPOINTE (Quebec East): In provincial matters, in the field occupied by the attorney general in the provinces where they have their own provincial police, it is the attorney general of the province who gives instructions to the mounted police. That is in regard to everything provincial in its scope. Of course, in federal matters they are directly under our control.

Mr. BROOKS: A few years ago many provincial governments dismissed their provincial police and left the police work to the mounted police. I think that has worked out satisfactorily in most provinces. I believe the arrangement then entered into was that the provincial and federal governments each would pay 50 per cent of the cost, or was a lump sum fixed?

Mr. LAPOINTE (Quebec East): Under the contract with New Brunswick the province pays $1,000 for every man we supply for police work.

Mr. BROOKS: At that time we thought we would save money, and we did. Since then, there has been, I understand, an increase in the number of policemen in that province. What has the increase been, and what has it meant in the matter of payment by the province?

Mr. LAPOINTE (Quebec East): As between what years?

Mr. BROOKS: I understand there has been an increase all over Canada since the beginning of the war. Does that apply to New Brunswick as well as the other provinces?

Mr. LAPOINTE (Quebec East): The increase in New Brunswick has been from 115 to 167.

Mr. ROSS (Souris): Does that arrangement apply in each province? Is Manitoba on the same basis as New Brunswick?

Mr. LAPOINTE (Quebec East): Yes, the same basis.

Mr. NICHOLSON: I understand that a number of men have been engaged for guard duty on the railways at particular points across the country. How are the activities of these special guards coordinated with the activities of the mounted police?

Mr. LAPOINTE (Quebec East): They are veterans, under our supervision and paid by us.

Mr. JOHNSTON (Bow River): What is the salary paid a constable, say a married man living outside the city?

Mr. LAPOINTE (Quebec East): For a constable first class, the rate of pay is from $2 to $2.25 per diem, with a living allowance of $1.60; for a constable second class, the pay is $1.75 per diem with the same living allowance, and for a constable third class, $1.50 per diem, with the same living allowance.

Mr. JOHNSTON (Bow River): How are the different classes made up?

Mr. LAPOINTE (Quebec East): According to length of service, the number of years in the force.

Mr. JOHNSTON (Bow River): Out of their living allowance do they have to pay the rent for their houses?

Mr. LAPOINTE (Quebec East): Yes.

Mr. JOHNSTON (Bow River): At $2 a day their pay would amount to only about $60 a month.

Mr. LAPOINTE (Quebec East): Yes.

Mr. JOHNSTON (Bow River): I know of some constables who have to pay $30 or $35 a month in rent alone. If they get only $60 or $70 a month in wages they certainly would not have enough left to permit them to live decently and respectably. That is a very low wage.

Mr. LAPOINTE (Quebec East): I do not object at all to the remarks of my hon. friend, more particularly because I have recommended an increase, and that recommendation is now before the treasury board. As a matter of fact, during the last war the police were paid a bonus because of the higher cost of living. We must admit that these constables, who are first-class men in every way and who are risking their lives almost daily, are not being paid rates comparable with those paid in other services and other directions. I may say that if the committee shares my views about this, it will help me with the treasury board.

Mr. JOHNSTON (Bow River): I have had an opportunity of visiting three of these mounted policemen, and they are living under conditions right next to relief. I have been in some of their houses; I have discussed with them the wages they are paid and the work they have to do. They work long hours; sometimes they are on the road all night long. I understand, further, that they do not even receive their car expenses; I believe they are given so much a day for the use of the car, and that if they have to take long trips they are out of pocket. I do not think that is a fair deal for these people, particularly in war time when they are taking on some very hard work. I am glad to hear that the minister is contemplating giving them a little assistance.

Mr. MARTIN: In view of what the minister has just said, I might add a word of support. I know that in one important community in Ontario the mounted police receive less than the city police; and though I am not too definite about this, my impression is that they receive less, certainly in the lower brackets, than the Ontario provincial police. If that is the situation, I think we will all agree that the importance of the Royal Canadian Mounted Police is such that the salary of an officer of that force certainly should not be less than that of a city policeman, and should at least equal that of a provincial policeman.

I know of at least three officers, one of whom was a sergeant in the Royal Canadian Mounted Police, but who left the service because of inadequacy of pay. He has been taken over by a large industrial plant to work in connection with its protective service. I am sure the commissioner would be one of the first to admit that on that account the force has lost a valuable officer. I do not think the inadequacy of pay of the Royal Canadian Mounted Police can go without a protest.

Mr. SLAGHT: It is my view that the items now under discussion are of great importance. In answer to a query we have just heard the minister place on record the pay the constables in the force receive and, if I am not mistaken, the figures he gave were the maximum under the present schedule that a constable may receive for the first seven years of his service, if he is not promoted.

The great bulk of the men in this force are under the schedule of pay the minister has just recited, namely $2 to $2.25 per day, with an allowance of $1.60 for living. Then there is another class at $1.75, with a similar living allowance. I suggest to the committee that we should add our voices in the strongest possible manner to the application the minister has told us he is making to the treasury board for a substantial increase in these amounts. Whether or not our voices reach as far as the treasury board, I am not able to inform the committee. But if we look at the present remuneration in other fields, we must conclude that the pay offered in this instance is a disgrace. I find fault with nobody, because these figures have prevailed for the last twenty years, under various governments.

The figures just mentioned are a disgrace to offer to the men who serve in that force. In order to enter it, they are required to be university matriculants. They are required

to take special courses in various types of education, physical training, drill, history of the force, first aid and so on. They must be expert shots, and take revolver practice. They must be students of criminal law and must understand ballistics. They must understand the chemistry of blood stains. We can scarcely appreciate the type of service these men are required to render.

In the last year and a half I have learned something of their work in connection with the very important anti-sabotage service they are rendering to our country. We learned from the Minister of National Defence for Naval Services that in the first fourteen months of the war, 3,500 vessels left Canadian ports, and that most of them left from ports on the Atlantic coast. Those vessels are in operation to carry food supplies and munitions, and to keep the mother country filled with supplies in her time of need. Each of those vessels had to be carefully checked and inspected by the marine branch of the Royal Canadian Mounted Police, in order to avert the possibility of those terrific disasters at sea, such as occurred in the last war. Some fifteen months ago I placed on record what happened to shipping out of United States ports. I explained how bombs were planted, chemicals placed in holds, and I said that 103 vessels which in two years had left United States Atlantic ports were either blown up or had experienced incendiary fires started at sea. Those disasters lessened by millions of tons the cargoes intended for Great Britain at the time of the last war.

Our mounted police have done a wonderful job, not only on both ocean coast-lines, but throughout the country. I am not going to give a detailed account of their services, because it would be inappropriate to-night to do so. But let me give some figures: The ice man, the man who wears the white coat and fills the ice-bucket in my room in the House of Commons, receives $4 a day. In the mines the mucker or the surface man receives, according to official figures, a minimum of $4.24 a day. That is the amount paid to those surface and underground men who are performing the cheapest form of labour in connection with mining. Drill runners receive $5.25 a day. It is true that out of that amount they pay approximately $1 to $1.25 a day for board. The average pay our Canadian mines dispense to workers is $5.25 a day. At the moment I am not decrying the amount we pay the ice-man who distributes the ice to the rooms in the House of Commons. Messengers in the house, faithful fellows, receive $4 to $4.50 a day. The protective guards at our main door receive $4, $4.50 and $5 a day.

Yet we pay those men who work early and late, who leave their homes in the mornings, and whose wives and families do not know whether or not they will return—we pay those men who are engaged in one of the most dangerous and important services $1.75 and $2.25 a day, with a living allowance of $1.60. That, mind you, is the most they can earn in the first seven years of their employment.

I cannot too strongly urge upon this committee the necessity of correcting that grave injustice. Were I to take time to make comparisons, I could give figures for munition factories and shell factories. The shell factory in my own constituency of Parry Sound produces $16,000,000 worth of cordite and TNT for the British government in one year. The schedule of pay the workers in that plant receive makes the pay of this great protective and anti-sabotage service look miserable and small.

Please let us not permit an opportunity of this kind to pass without from every quarter of the house adding our voices, so that the minister's hands may be strengthened. I have had some conversation with him, and I know he feels that the pay is entirely inadequate. The commissioner, who is here to-night, is one to whom the committee owes a great debt of gratitude, because of the perilous and tremendous load he has carried since war broke out. He has taken the responsibility for matters connected with internment. Why, if four or five of these men slipped up on their jobs and a crackpot were given the opportunity, great damage might be done by destructive bombs. I shall not mention places, because we do not do that in war time. Any slip-up on the part of these men might prove costly. At the time of the last war the United States suffered a bath of blood, and to some extent they are having the same experience to-day. Any error in judgment, or any tendency to sleep while on duty might have the effect overnight of paralyzing the war industry of Ontario. Yet we are paying $1.75 and $2.25 to the men charged with that responsibility!

I do not wish to show heat. But I would hope that every hon. member will not permit this occasion to pass without making it known to the minister that we in the House of Commons, more than any other people in Canada, desire to remedy a situation which, unless remedied, will be an everlasting disgrace to our country.

Mr. ADAMSON: Mr. Chairman, I should like very much to support the observations of the hon. member for Essex East and the hon. member for Parry Sound. One cannot possibly appreciate the preventive service afforded this

country by the Royal Canadian Mounted Police. It is impossible to put a dollars-and-cents value on their services. I speak now more particularly of the Royal Canadian Mounted Police officer that you do not see—or at least you do not see him until it is too late. These men have to be experts in every line of sabotage. I do not need to tell the committee because it must know that attempts at sabotage have been made in Canada during the past year, and I think we can congratulate ourselves in this country upon our remarkable record of lack of sabotage in Canada, which has been due almost entirely to the wonderful work done by the mounted police.

Their salary as third-class constables starts at $1.50 a day. They get a 5-cent raise a day every year until they reach $2.25, if my information is right, after nine years, not seven. The plain-clothes men get an allowance of 25 cents a day for their plain-clothes and a living allowance of $1 a day as well. The maximum that a constable can get after nine years' service in the force is just about $100 a month or a little over $3 a day, and from that all taxes and the superannuation contribution are deducted.

One other item I should like to mention is the question of allowing these men enough expenses when they are out on a case. We are not looking for saboteurs who live in the gutter or frequent low dives. The intelligent saboteurs stay at the best hotels in the country, belong to good clubs, travel by Pullman and engage drawing rooms. They are the completely unsuspected saboteurs. They are the men whom the mounted police must look for and are looking for, but at the present rate of allowances they are working under tremendous difficulties in keeping on the trail of such men. I suggest to the minister that the allowances be made extremely generous, particularly in war time. I would also suggest that the minimum pay be raised to at least $3 a day for a man just starting in with the force and go on up to two and a half times what the rate is at the present time. We cannot appreciate the job that is being done by this special force, and I would urge the minister as strongly as I can to consider putting this question of pay and allowances up to the treasury board in the strongest possible manner.

Mr. LOCKHART: May I inquire of the minister if the 500 additional members of the force have been engaged or only a part of that number?

Mr. LAPOINTE (Quebec East): There have been 250 selected and engaged, and if the full quota has not been engaged it is because of lack of accommodation.

Mr. LOCKHART: I come from a community which needs careful scrutiny as much probably as any other part of Canada; on numerous occasions I have talked with the very best type of men that could be secured for the Royal Canadian Mounted Police, and I have on occasion written the department with regard to peculiarly well qualified young men who were desirous of joining the force. But because of the present rates of pay I have found an aversion to joining the force on the part of many young men who by background and environment would make in my opinion—probably it is not worth very much—the very best type of officer, the kind which has been appealed for here to-night. I could easily count ten young men who have said, "My desire was to join this service if physically fit and able to meet the other requirements". The hon. member for Parry Sound referred to university training. I think he was wrong there.

Mr. SLAGHT: Not university training but matriculation into a university. That is the test.

Mr. LOCKHART: These young men who have spoken to me have gone away sadly disappointed, and many of them have told me that they would love to join the force if only the remuneration were sufficient to give them a living wage as the years went by. Therefore I want to add my humble voice to those of other hon. members and appeal to the minister to urge upon the treasury board a higher rate of pay for the force because, I repeat, I know at least ten of the finest young men in my county who would make splendid officers, who have not put in an application simply because the remuneration was so low over such a long period of years that they could not possibly support themselves on it.

Mr. GRAHAM: As an agent of the crown in Saskatchewan I have had a long connection with the Royal Canadian Mounted Police. I do not think I can add anything to what has been said with regard to the injustice of the present rates of pay. Because it is poor business for that to continue, if for no other reason, we should increase the pay and allowances as quickly as possible.

The mounted police were originally formed as a military body and the establishment is a military establishment, but their duties in the last few years have changed considerably. Theirs is no longer the task which was presented to the mounted police in the early days of patrolling the border to guard against infractions of dominion law. They are carrying on a most difficult task, apart from

any war work they are doing, in crime detection in all its phases. That calls for a very high type of officer, as the hon. member for Parry Sound (Mr. Slaght) has pointed out, and it seems to me that it will be impossible for this government to continue to attract to and keep on the force the type of men we must have if its high reputation and good work are to be maintained unless the present rates of pay are increased.

We should perforce demand in our own interest, by reason of the change that has taken place in the duties of this police force, a proper scale of remuneration to the members of the force. I know that during the depression many types of fine young men found an outlet for their energy by joining the force but I am certain that the rates of pay to which we have listened to-night, cannot in ordinary normal times keep in the force the type of men we want to see in it. We seem to be in agreement on that to-night, and I would inquire from the minister how we can properly register our opinion as a committee. If any member of the committee disagrees with the sentiments that have been so generally expressed to-night about the force and the rates of pay, I would ask him to give expression to his views, failing which, I think the minister may take it for granted that every member of this committee would like to see the services of the Royal Canadian Mounted Police properly recognized in the matter of pay and allowances.

Mr. BLACK (Yukon): I have been a member of this house for a good many years, but never before has it been my experience that a vote brought before the committee by a minister has met with such general approval. In years gone by, the Minister of Justice has encountered opposition in presenting his vote for the mounted police. I am glad that the attitude of the committee has altered, because no one could have more admiration for the mounted police than I have. For over forty years I have seen them at work. When first I came in contact with them, they were the "North West Mounted Police," and not the "Royal Canadian Mounted Police" as they are now; and they policed the western frontier. It was my privilege to go on that great gold rush some forty-two years ago, in which people on their way to the Yukon, into the Klondike gold-fields, had to go through Alaska, where law and order were unknown, where murder and robbery were common, where people's lives were not safe and they had no protection at all. But as that crowd went up the trail and came to the Canadian boundary and the union jack and the mounted police, they faced an altogether different situation. When men came up there with revolvers or pistols strapped on their belts, their first experience of the mounted police was to be tapped on the shoulder and told, "You had just better give me that gun; you might hurt yourself with it. They are not needed on this side of the boundary." They were not allowed to carry guns, except sporting guns and rifles for hunting game; no other guns were allowed to be carried in the Yukon.

It seems shameful that a force as valuable to Canada as is the mounted police should be asked to carry on as it does, with the utmost efficiency, for so paltry a remuneration. According to figures given to the committee this evening, they are not paid as much as the commonest of common labourers. I do not think a mounted policeman should be asked to be a member of this force in any part of Canada for less than $5 a day. Where can one get labour for less? One cannot get a carpenter, for instance, for less than a dollar an hour. I am sure that the services of this force are of sufficient value to the people of Canada to warrant our paying them a stipend more in keeping with the value of the services they render.

Mr. CASTLEDEN: To make this unanimous, may I add a voice from this group. Quite by accident, last summer in this very city there came to my attention the case of a constable in the Royal Canadian Mounted Police detachment here whose pay was so low, and the cost of living in this city so high, that his wife was compelled to take in washing to maintain a decent standard of living in that home.

In supporting this direction to the minister, I would say that many men in the force find it impossible to live ordinary lives, get married and settle down, on account of the regulations and because the pay is so low, that is, in the first seven years. I would urge the department, in making any increases, to pay particular attention to the position of married men in the force who are trying to maintain homes, and see that in no case the standard of living is below that which should be maintained by ordinary decent citizens.

Mr. MACDONALD (Brantford City): There is no one in this country who has a higher regard for the Royal Canadian Mounted Police than I have. Canada is rightly proud of this great force, and we have with pride sent them to other countries, where they have always been exceedingly well received.

Anywhere in the English-speaking world where their picture appears in the moving picture theatres, it is invariably received with great applause. They are indeed a great credit to our country, and I trust that anything I say to-night will not be construed as detracting from their great merits.

The pay which they receive has been compared this evening with the pay which the ice-man receives for filling the small receptacles in the rooms in the House of Commons. But let me point out, Mr. Chairman, that the ice-men in the House of Commons probably work for only three, or a maximum of four months in the year.

Mr. SLAGHT: That is not so. Most of them have other positions and work all the year round.

Mr. MACDONALD (Brantford City): Well, I do not know much about the ice-man.

Mr. SLAGHT: Yes, but the hon. member does not drink any water.

Mr. MACDONALD (Brantford City): No doubt other hon. members can speak with greater authority on the ice-man and his duties than I can.

Mr. HANSON (York-Sunbury): May I interrupt the hon. member to say that I was here for fourteen years and I did not have an ice-man at all.

Mr. MACDONALD (Brantford City): The leader of the opposition and I are more or less in the same position in that regard. Also the rate of pay which is given to the messengers has been quoted to-night and contrasted with the rate of pay of the members of this great force. But here again I would remind hon. members that the messengers in the house work for three or a maximum of four months in the year.

I know many men in my own constituency —I am sure this is true also about other constituencies—who would work for a lower rate of pay than that received by the mounted police if they could be assured of pay from day to day throughout the year. The men of this force are assured of pay for 365 days of the year. Last year they got paid for 366 days. They also receive a clothing allowance. In addition to the $2.25, they have a clothing allowance and other allowances which one hon. member has mentioned, totalling $1.25, which brings their pay to $3.50 a day. At the end of their period of service they receive a pension, which also is something of great value. I think hon. members will agree with me that many men would work at a lower wage than they ordinarily work for if they knew that at the end of a certain time they would receive a pension for life.

I am not saying that the men of this force are overpaid. I do not say that their pay should not be increased. But I consider that these points which I have mentioned should be brought to the attention of hon. members. Not only the police in this great force but the police in our city forces are doing at this time a great and responsible work.

What about our private soldiers? I remember that in the last war the private soldier received $1.10 a day. In this war he is somewhat more fortunate, and receives $1.30 a day.

Mr. CRUICKSHANK: Not enough.

Mr. MACDONALD (Brantford City): "Not enough," my hon. friend says. My point is that a man, a private in the Royal Canadian Mounted Police starts at $1.75 a day, and a private soldier, who is prepared to go abroad and risk his life, or to risk it in this country, starts at $1.30 a day. If we are making comparisons, I think we should compare the lot of the man in this great force with that of the private soldier who is doing a great service and is prepared to do a greater service for his country. If we are to revise the rates of pay of the men in the Royal Canadian Mounted Police, then, I say, let us consider whether or not we should revise the rates of pay of the private soldiers in the army.

Mr. HANSON (York-Sunbury): In normal peace times is it the fact that there is always a substantial waiting list?

Mr. LAPOINTE (Quebec East): Yes.

Mr. ROEBUCK: At the risk of prolonging the debate unnecessarily, let me say a word. It seems to me unfortunate that we have made comparisons between the men of the mounted police and the man who delivers the ice, and the soldier, and others of that kind. The hon. member for Parry Sound had no intention of making that comparison or of putting them on the same basis at all. His only purpose was to make his plea more striking with regard to the mounted police. I regret bringing in the soldier also. The soldier is not making a life work out of winning the war. Some of them will be giving their lives, it is true, and no one with any knowledge of humanity would say that a soldier is serving his country for the miserable pay that we give him. He gets the pay, a trifling pay, but he does not serve for the pay. He is serving for something far higher than pay.

My impulse to add my voice to what has been said springs from the fact that, I suppose, I am one of the very few members of this house, if not the only one, who has actually managed a police force, because as attorney general of Ontario, I had the provincial police under my direct supervision for a period of three years. Of course there was a commissioner of police, but the management of the force was on my personal desk for a period of three years. When I took over the direction of that force, I tried to impress upon all members of it that they were occupying a position superior to that of a common labourer, and that the day of the "flat foot", so far as policemen are concerned, had gone by. They were not men who simply walked a beat and put in so many hours a day. They were highly trained specialists in a most important service. In order to carry out that ideal of a police force of a superior type, I induced the legislature of the province to make a considerable grant to a police school, which was presided over by Mr. McRuer and which went into the many subjects enumerated by the hon. member for Parry Sound, in an effort to increase the status of the police force, to abolish their own low estimate of themselves, to raise their own dignity and to impress them with the importance of the service which they render.

What strikes me is this, that one cannot have men above the grade of the ordinary labourer and yet pay them on the basis of the ordinary labourer. I am speaking from memory—and that memory is now some four years old—but what I carry in my mind with regard to the amounts that were paid to the police of the province of Ontario is that they ranged from $1,600 to $1,750 a year. That was the basic rate of pay. I may be wrong in these figures, because, as I say, it is memory and that memory is now some four years old. But I am quite sure that the province of Ontario paid to the provincial police more than $5 a day, working days; and I never heard it suggested, and it never occurred to anyone's mind, that we were paying too much. Ontario was paying a smaller wage than the city of Toronto was paying to men doing perhaps less responsible work than these members of a general police force who are on their own almost all day long and are doing the work of trained experts, judge, jury and everything else, half the time when they meet with difficulties.

I was amazed when I learned to-night the rates of pay that are being handed out to the members of the dominion police force, and if my word and my view will add anything to what has already been said, I shall be pleased. I fancy that this committee has been so unanimous in this matter that something will be done about it.

Mr. ADAMSON: The Federal Bureau of Investigation, under Mr. Hoover, start with a minimum of $3,000 a year. I believe Mr. Hoover was up to see Commissioner Wood and he remarked what a wonderful force the commissioner had, but he was amazed at the compensation and felt that it was only the marvellous loyalty of the men that kept them in the force.

Mr. CRUICKSHANK: May I make one suggestion for the benefit of the hon. member for Brantford City (Mr. Macdonald). I think I can speak with authority for the mounted police when I say that they would be perfectly satisfied to accept the pay which the federal government gives to members of the legal fraternity.

Mr. SHAW: The minister has referred to 2,000 special constables. What are the terms of their engagement and rates of pay?

Mr. LAPOINTE (Quebec East): They are engaged for a year and the pay is $1.50 a day. They are living in barracks.

Mr. SHAW: Are these special constables single men?

Mr. LAPOINTE (Quebec East): Is my hon. friend speaking of the veterans who are doing guard work? They are paid $3.20 a day and most of them are married; of course there is the usual medical attention as well.

Item agreed to.

319. Land services—arising out of the Royal Canadian Mounted Police Act, enforcement of federal statutes generally, and other incidental expenses, $5,034,041.

Mr. HANSON (York-Sunbury): What is the position in relation to the provinces? How many provinces employ the mounted police?

Mr. LAPOINTE (Quebec East): Six. British Columbia, Quebec and Ontario have their own.

Mr. HANSON (York-Sunbury): What do the other provinces pay the federal government?

Mr. LAPOINTE (Quebec East): It is on the basis of $1,000 a man.

Mr. HANSON (York-Sunbury): I had an idea it was a limit of $100,000.

Mr. LAPOINTE (Quebec East): It is $115,000. I have not the figures for all the provinces.

Item agreed to.

Pensions and other benefits.

322. Pensions to mounted police, Prince Albert volunteers and police scouts on account of the rebellion of 1885, $83.95.

Mr. HANSON (York-Sunbury): Is this the last of them? This seems to be an old item.

Mr. LAPOINTE (Quebec East): He is the only one left of that brigade.

Item agreed to.

Pensions and other benefits.

325. Pension to Basil Burke Currie, $684.20.

Mr. HANSON (York-Sunbury): Under the statute is the pension system contributory?

Mr. LAPOINTE (Quebec East): It is in the case of the constables, not the officers.

Mr. HANSON (York-Sunbury): Has the department given consideration to that? It would mean a substantial sum if it were made contributory. Has it ever been suggested that it should be? It might be better in the interests of the men themselves; it is a form of saving.

Mr. LAPOINTE (Quebec East): There is a fund for the widows and orphans to which the men contribute.

Mr. BROOKS: What is the retiring age for the mounted police, and what is the allowance?

Mr. LAPOINTE (Quebec East): For officers the retiring age is from sixty to sixty-three, and for other ranks, from fifty-six years. The allowance is based on length of service.

Mr. CRUICKSHANK: I understand the pension and other benefits in one case is to the widow of a mounted policeman who, I presume, lost his life in the service. But on a preceding page of the estimates I see that a man from the legal profession gets a pension of $555 a month, whereas the pension to the widow is $38.02 a month. Where is the justice in that?

Mr. NICHOLSON: Some of them get $1,000 a month.

Mr. CRUICKSHANK: The superannuation of a retired judge is $555.56 a month, whereas to the lady it is $456.25 a year, which, as I divide it, amounts to $38 a month. I submit that, whether she be a judge's wife or a mounted policeman's wife, a woman is entitled to a decent standard of living. If a judge is any better than a mounted policeman, I want to be shown.

Mr. LAPOINTE (Quebec East): My hon. friend is wrong about judges' wives, because they receive nothing.

Mr. WRIGHT: Is not the explanation that there are some seventy members of the legal profession in this house, and no mounted policemen?

Mr. BROOKS: Could the minister give some more definite information as to allowances paid to mounted policemen on retirement? He said it is according to years of service, but that is not quite definite.

Mr. LAPOINTE (Quebec East): It is based on length of service and rate of pay, and it would amount to about two-thirds of his salary.

Mr. GRAYDON: Many comparisons have been made to-night about many people. I was amazed to hear the hon. member for Melfort (Mr. Wright) who is one of the best farmers in Saskatchewan—I know because I was on his farm this year—raise his voice with regard to lawyers, also the hon. member for Fraser Valley (Mr. Cruickshank), both of whom pride themselves on the great reputation of agriculture; yet it is left to me, a solicitor, to raise my voice in the matter. If comparisons are to be made, why not bring in the lowest paid man in the whole country, namely, the farmer?

Mr. MARTIN: Is it not a fact that in addition to the inadequacy of pay, an officer of the Royal Canadian Mounted Police is denied during the first years of his service the legitimate opportunity of marital association?

Mr. ADAMSON: The first seven years?

Mr. LAPOINTE (Quebec East): I can not say anything as to that.

Mr. GRAYDON. I suggest that the Minister of National Defence might answer that question.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Administration service.

1. Departmental administration, $121,925.

Mr. ROSS (Souris): Would the minister make a statement giving the people of this country some lead as to what they are expected to produce this year in meat, wheat and other foodstuffs essential to the prosecution of the war? It is only fair that he should give the producers some broad lead for the coming year. Would he also give some idea as to the jurisdiction and authority of the federal Department of Agriculture as compared with the officers of provincial departments in the matter of encouraging production?

Mr. HANSON (York-Sunbury): May I supplement that by asking the minister to give a statement of the government's agricultural policy, generally speaking?

Hon. J. G. GARDINER (Minister of Agriculture): That is a fairly heavy order to receive at ten-thirty at night. The question asked by the hon. member for Souris as to how much we should produce and what we should be producing in connection with the war is difficult to answer. I think I have said in this house before, and I repeat now, that the agriculturist in surplus-producing countries always experiences difficulties before a war comes on, and even greater difficulties immediately after the beginning of a war. That has always been the history of agriculture in countries outside war zones producing commodities for consumption in other countries, particularly in those areas where the war is being carried on. That was true in the last war and up to date it has been true in this war.

I have no greater knowledge than anyone else in this chamber as to when the turning point will be reached in this war. In the last war it came in 1916, or a little more than two years after the war began. In this war, judging from what has happened so far, the period during which it will be difficult for agriculture in this country will probably be somewhat longer. In other words, we have passed through one fairly difficult year; we are well into the second difficult year, and there is not much possibility that we shall get out of our difficulties in connection with agriculture during the year through which we are now passing.

Having said that, I should like to call attention to the fact that we have something over five hundred million bushels of wheat in store in Canada, which means that, without taking into consideration any of the wheat we shall produce this year, we have at least two years' supply for ourselves, Great Britain and the other countries to which we have any chance of exporting wheat, unless something happens in the course of the war that has not happened as yet. Therefore there is no reason for saying to-night that we should increase the production of wheat in Canada. Possibly there is some reason for saying that we should reduce production rather than increase it during the coming summer, but I do not think anyone could base even advice to reduce wheat production on anything in the way of statistics or any experience we have had in this country in the past or that other countries have had in relation to the production of wheat. I would not be too insistent on saying that men should even cut down their acreage this year, although I think it would be advisable for them to do so in view of storage conditions across this country. But I would not be at all sure that two or three years from now, someone could not rise in his place in this house and say that I had made a mistake in giving that advice, even with the world at war as it is to-day.

The other farm product that probably has been discussed at greatest length in Canada recently is pork products, particularly bacon. I think I have said before in this house, and, if not, I want to say it now, that in the fall of 1939, immediately after the war began, the British government took the trouble to send a man to Canada to discuss with us the matter of bacon. He was on his way to take up a position in Washington. The British government asked him to come by way of Canada and to take up his appointment in Washington after he had performed his mission here. That mission was to tell us in Canada not to increase our production of hogs because of any request we thought had been made or was likely to be made by Britain in relation to the war. He did not say we were not to increase our production of hogs; he said that was a matter for our own judgment, but he said they did not wish to be told later on that they had asked us to increase our hog production. That information was given the country at the time. I made the statement myself on many occasions, from one end of Canada to the other. That information was given to representatives of all the provincial governments, who were assembled in this city for the purpose of receiving it. They were told there was no intimation from Great Britain that they would require more in the way of pork products, and it was intimated to them that the British had clearly indicated to us that they did not want us to say later they had advised us to produce more pork products, but that we would have to form our own judgment in that regard.

During the early weeks of the war we found that our statistics with regard to the production of hogs in Canada were not authentic. We thought they were, but a very few weeks after the war began we found that there were more hogs in Canada than our statistics had led us to believe. That year we entered into an agreement with Great Britain for the delivery of 291,000,000 pounds of bacon, and all through the year we found that we were getting deliveries very much greater than the quantities required under that contract. The result was that during that year we actually delivered about 330,000,000 pounds as against the 291,000,000 pounds for which we had contracted.

By the time we entered into the second year of the war it was apparent, from the deliveries of the preceding year and from the statistics then available, which had been more carefully compiled than previously, that we would have at least 425,000,000 pounds of bacon and ham for delivery to Britain during this year without in any way interfering with the consumption in Canada. Therefore we entered into an agreement based upon those figures. Hon. members will recall that in 1932, when we entered into a trade agreement with Britain, we thought we were asking for an outside figure when we asked for a quota of 280,000,000 pounds.

Mr. BROOKS: That was when Denmark was still supplying the British market.

Mr. GARDINER: Yes; Denmark was supplying the market at that time. This year we thought we had the outside quantity at 425,000,000 pounds; but speaking in round figures, since the beginning of that contract there has been delivered an average of 3,000,000 pounds a week more than the contract calls for, and I think, as well, we have been eating more pork in Canada than at any previous time. In other words, we are getting about 3,000,000 pounds more a week than the contract calls for, up to the present time. Britain has been taking approximately a million pounds a week more than she contracted to take, and we have been putting about 2,000,000 pounds a week into cold storage.

I give these figures in order to indicate to the committee what I think will be quite apparent, in answer to the question of the hon. member for Souris; that is, that no one in the federal Department of Agriculture is asking the farmers of Canada to produce more hogs at present in order to supply the demands of our own market plus those of the British market.

There is an uncertain factor in connection with the whole position at the present time in relation to hogs, and it is this: The United States market last year, throughout the whole year, averaged about three cents a pound under our market for hogs. That was due largely to the fact that we had entered into an agreement with Great Britain last year, and that Great Britain took delivery throughout the whole year of hogs at that higher price.

This year the United States price has drawn up closer to the Canadian price, and occasionally runs a little above our price, when one takes into consideration the difference in the value of exchange, and the tariffs as between the two countries. Occasionally hogs have crossed the boundary line into the United States, since the entering into of the new agreement, because of the price being a little higher from day to day in the United States than it has been in this country. But, generally speaking, since the contract was entered into, the price in Canada is still better than the price to be obtained in the United States. How long that will last, we do not know. If there is the bidding for Canadian hogs in the United States, then there is the possibility that the entire amount that we now have will be required.

Some inquiries have been made as to whether we might be able to provide more bacon and ham to Great Britain. But nothing definite as to whether they will require more, or whether they will desire to have more, has been arrived at. Inquiries have been made as to whether we would be able to provide them, if they required it, and we have given the information to the British government that I have given the committee to-night, in order that they may be fully informed as to our position. Therefore I believe I may say in answer to the question that, in so far as bacon production and hog products generally are concerned, the farmers of Canada are producing everything we require up to date to supply the Canadian market and the British market. I am not discussing, in connection with that question, the point whether or not the farmer is getting all he needs to get for the hogs he is producing. But the farmer is doing his part at least in producing all the hog products we have been able to dispose of in supplying the British demands for bacon on the other side, supplying our own market as well, and the limited amount which has been going to the United States.

In so far as cattle are concerned, we are getting the best price for cattle we have had for many years. We are selling all our surplus cattle in the United States. Up to date there has been no necessity to ship any cattle to Great Britain, as part of our war effort. The United States is taking all our cattle, and would take more than they are getting from this country. In other words, there is no problem connected with getting rid of the surplus supply of cattle.

We have this position existing at the present time: While some people have been suggesting that our prices ought to be on a parity with those of 1926, cattle constitute the one farm product which at the present time is above the parity for 1926. I believe on an average throughout the year the price has been above the parity for 1926. Therefore there is not much complaint or much opportunity for discussion with regard to the price

of cattle, for many of those who are relying upon cattle for their returns in connection with their farming operations.

The position in connection with dairy products is that we can dispose of all the cheese we care to produce or that we are likely to produce in Canada at the price at which we are now selling it to Great Britain, namely, at 14·4 cents, beginning on the first of April. We shall be selling it at 14 cents up to April 1, but after that date at the rate of 14·4 cents Great Britain will take practically all the cheese we can produce in Canada for export. I think she will take all we can produce.

The reason for the price of 14·4 cents is this: Great Britain has an agreement under which she takes all the cheese New Zealand can export, and she has an agreement under which she gets that cheese at a certain price. We have always had a premium of between two and three cents a pound for Canadian cheese over that received for New Zealand cheese. When the normal premium is figured on top of the New Zealand price, it works out at 14·4 cents.

Since we made arrangements with Great Britain in connection with this agreement, some people have asked why we accepted a price of 14·4 cents. Other people have put it in another way and have said that 14·4 cents is all right for Great Britain to pay, if that is all she can pay, but that the farmer cannot get along on that price. All I wish to say in that connection is this—and without quoting a price at all: At the end of the last war we started a chain of difficulties for cheese producers in this country by being critical of a price, if not refusing to accept a price, which in any year between then and now would have been considered as a fairly high price. We refused to accept for cheese a price offered to us by the British government, and we withheld deliveries rather than deliver at that price.

Mr. HANSON (York-Sunbury): What was the price?

Mr. GARDINER: It was somewhere around 20 cents. I have forgotten the exact figure, but it was somewhere between 18 and 22 cents. But we were not prepared to accept that price. New Zealand on the other hand was prepared to accept the price offered. If one follows the statistics with regard to cheese production and delivery from Canada to Great Britain, and cheese production and delivery from New Zealand to Great Britain from that time to the present, or to a time about five years ago, he will find that New Zealand was gradually, from year to year, creeping up in her deliveries to Great Britain, and that from year to year we were gradually going down.

In the last three or four years we have been gradually creeping up again. In 1935 we delivered 54,000,000 pounds.

Mr. SENN: The lowest ever.

Mr. GARDINER: Yes. Last year we delivered 91,000,000 pounds, or the highest amount we had delivered for quite a number of years. This year we have contracted to deliver 112,000,000 pounds, and that will be very much higher than we have delivered for a number of years.

In dealing with cheese we have attempted to encourage production. That encouragement was given for a period of two years before the war, and for the year since the war began, by paying a premium on 93-score cheese of one cent, and a premium of 2 cents on 94-score cheese. Speaking again from memory, I believe figures I gave to the house at the time the premium was allowed, showed that about 42 per cent or 43 per cent of cheese in Canada was 93 or 94-score. To-day it is 62 per cent. In other words, the paying of the premium, along with the effort of the farmer himself to improve his quality, has resulted in our obtaining a very much higher production of 93 and 94-score cheese than we had previously.

But since the agreement came into effect we have found this further result: Instead of the farmer who produced 93-score cheese getting 14 cents, he was getting 15 cents; and the man producing 94-score was getting 16 cents. This year we have added three-fifths of a cent to the British price, making a flat price of 15 cents on all cheese delivered to Great Britain. The premium of one cent still remains, which means that those producing 93-score get 16 cents and those producing 94-score get 17 cents. That is true right across Canada.

Seventy per cent of our cheese is produced in Ontario. The greater part of the remaining percentage is produced in Quebec. Some is produced in the maritime provinces, and a comparatively small amount in Alberta and Manitoba. Eighty per cent of all the cheese going to Great Britain comes out of Ontario, and it takes the greater part of that 62 per cent which scores 93, or better, to supply the British market.

With that picture before us, I should like to say something with regard to encouragement given to farmers to produce farm products, and particularly dairy products. There are certain areas in Canada which are very well constituted as dairy sections, and

there are certain parts of even the dairy sections which are better constituted for the production of cheese than for the production of butter. The area that is best provided with those things that are necessary for the production of cheese is the area from Toronto eastward to somewhere in the province of Quebec. It is in that area that the greater part of our cheese is produced. The greater part of the cheese produced in Ontario, in spite of the fact that she produces 70 per cent of all the cheese produced in Canada, is produced in that section.

One thing we have been trying to do in connection with war policy in this war, having had some experience in the last one, has been to avoid doing those things which encourage people to go into production in a big way during the war of farm products which they cannot produce economically in peace time, particularly if the areas which produce in volume are able to provide the quantity that is required while the war lasts. For that reason, when we were asked to put a subsidy on cheese produced all across Canada, I, as Minister of Agriculture, hesitated to suggest to the government of this country, and I would hesitate to suggest to this committee, that we should put a subsidy on cheese to raise the price to, let us say 19 cents a pound, which was suggested by persons associated with the dairy industry and by others. The result would be to induce people in certain parts of Canada which are not particularly well provided with the facilities to produce cheese at even a lower price than that to go into cheese production for the time being, because, in spite of what has been said about the price of dairy products, I am convinced, as I think every hon. member is who has made a study of the question, that we cannot expect over any long period of years in peace time to be able to get as much as 19 cents a pound for our cheese.

Mr. SENN: If I may ask the minister a question, does he suggest that the premier of Ontario is making a mistake in bonussing cheese production to the extent of two cents a pound?

Mr. GARDINER: No; I was just coming to the point of saying that I think he did the right thing. In Canada we are living in a confederation, and there are some advantages in a confederation as well as some disadvantages. I think the government of Ontario came to the right conclusion when they concluded that the natural cheese-producing area in this country is in Ontario, and that they could put a subsidy on cheese to bring the price up to 19 cents a pound in that area without inducing people in other sections of the country, which probably should not be in the cheese business, to go into it for the time being, and thereby in the long run injure others. In other words, I think that the granting of a subsidy of two cents a pound on cheese in Ontario was a move in the right direction, and that it will probably get cheese production where it ought to be. I am informed that some of the other provinces are considering doing the same thing, and to the extent that it is done wisely and in the areas where it is proper that cheese should be produced, it is I think an advisable thing to do. But I do not think Canada in the long run would have benefited if this government had stepped in and simply said: We will pay a subsidy on cheese which will get production in those areas that cannot naturally adjust themselves to the production of cheese even at the price they may have to take.

Mr. PERLEY: Does that same principle apply to the Saskatchewan government as regards wheat?

Mr. GARDINER: We shall come to wheat and the prices of wheat in due course. I would just point out now that wheat is not my problem but that of my colleague the Minister of Trade and Commerce (Mr. MacKinnon). It is, of course, my problem as a citizen of Saskatchewan and as a member from Saskatchewan, but wheat itself comes under the administration of the Department of Trade and Commerce. There is another side to the wheat question. I should just like to say in passing that I do not think the farmer of western Canada has ever been subsidized on his wheat during this war, and I do not think he is being subsidized on his wheat now. I believe that what is being paid to the farmer to-day on wheat is what it has always been called and what it is called in the act—an advance on his wheat.

Mr. LECLERC: I hope the minister to-night will not get on to the subject of the western farmer and his wheat but will stick to cheese and butter.

Mr. GARDINER: The cheese situation I think is pretty well taken care of in what I have already stated to the committee. It does not make very much difference how it was accomplished, but in view of the subsidy paid by Ontario and the price which we obtained from Great Britain, and the premium provided, the farmer is getting approximately what he asked for in Ontario, and that is somewhere between 17 and 19 cents a pound for his cheese, depending on the quality.

So far as the butter situation is concerned, I do not think there is any limit to the amount of butter that we can get rid of from Canada within the limit of what we are likely to produce and can produce.

But I would point out this: Britain asked us last fall if we could deliver to her last fall 10 million pounds of butter. The reply we gave was to the effect that if she needed 10 million pounds of butter we would deliver it to her, even if we had to put our own people on rations in order to do it, just as the people of Britain were being rationed over there. We said: "What would you pay for it?" If I remember rightly, and the officials here will correct me if I am wrong, Britain at that time said 21 cents, or what would be equivalent to 21 cents in our money. Butter was selling in Canada at that time for 24 cents. We did not say to Britain: "We will send you the butter because it is here in Canada." But we said to her: "We are prepared to send the butter if you want it, and we will accept what you are prepared to pay for it."

Then they asked us what effect the shipment of 10 million pounds of butter to Britain would likely have upon the production and delivery of cheese. We said it would probably have a detrimental effect; and when they asked, "In what way?" we said that if we left our market open here and took 10 million pounds off the market, which then was said to be a little short, we would probably have a price for butter in Canada this winter and probably early next summer which would greatly encourage the production of butter, and if somebody would take our butter at the higher price that we were likely to get on our local market as long as there was a shortage here, then that could be justified, but that if we were going to have to deliver the butter to Great Britain, we would have difficulty in taking just 21 cents for the butter which we were producing in this country throughout the year, and that the production of butter would at the same time be shortening the production of cheese. Then Britain said that they did not want the butter, they wanted cheese, and they were not prepared to pay any higher price to get butter from Canada.

May I say just briefly, because it is almost eleven o'clock, that Great Britain has contracted for all of the butter of New Zealand and Australia and all the butter they can get elsewhere, and they would take at a price any butter we might have by way of surplus in Canada. But we believe that, in so far as the price itself is concerned and getting the price which the farmer must have at the present time if he is going to be able to produce butter in this country to advantage, it will be necessary for us during this coming year at least, whatever we do next year, to keep our butter production about equal to our butter consumption in Canada, and get our cheese production just as high as we can get it in Canada. We think that, by doing those two things, we shall be doing the best we possibly can as farmers to serve Britain and at the same time serve our farmers, and our country generally.

[Mr. Gardiner.]

Progress reported.

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

Friday, February 28, 1941.

The house met at three o'clock.

WAR PENSIONS

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Hon. CYRUS MACMILLAN (Queens) presented the first report of the select committee on the Pension Act and the War Veterans' Allowance Act, and moved that the report be concurred in.

Motion agreed to.

CANADA'S WAR EFFORT

REFERENCE TO CRITICISMS IN UNITED STATES SENATE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I wish to draw to the attention of the government the following remarks of Senator Gerald Nye, of North Dakota, made in the debate yesterday afternoon in the United States senate on the so-called lease-lend bill. Senator Nye is reported to have said:

> As we have done until now, Canada has required of England cash on the barrel head.

That is for war supplies.

> Canada hasn't made a move to indicate other than that she would anticipate cash on the barrel head in the future.
>
> Enact this bill, and you will find England using our United States dollars which we will give her to pay Canadians for the war supplies they send to their mother country.

I would ask the government what steps, if any, are being taken to correct such damaging statements in the United States. Has any statement been issued by the Canadian legation in Washington in refutation of such unfounded charges?

Hon. H. A. BRUCE (Parkdale): I was about to ask a somewhat similar question, and I also notified the Prime Minister of the fact. My question is: The newspapers report a statement made by Senator Gerald Nye accusing this dominion of doing nothing for Britain except what is paid for in "cash on the barrel head."

As this might have some effect on the lease-lend bill before the senate, will the Prime Minister inform the house what steps he has taken to refute this slander?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend who has just spoken did give me notice of the question he was about to ask. My hon. friend the leader of the Cooperative Commonwealth Federation group (Mr. Coldwell) also gave me notice of the question he was going to ask, and I prepared a reply to be given to whichever one of the two spoke first. I have reserved in brackets a place for one name or the other, so that each might get full credit for having asked the question.

The government is of course aware not only of the specific statement to which the hon. member has referred, but also the similar allegation concerning Canada made in the course of the discussion in the United States on the lease-lend bill. After careful consideration the government decided that it would not be wise for us to make a public statement in regard to a subject of domestic debate in the United States, even for the purpose of correcting misrepresentations of Canada's action.

We have felt that Canada's position as a belligerent and a co-partner with Britain in the present war was well known in the United States. It has been a considered view of the government that the facts are so easily available and so widely known that it is much wiser to rely on Americans themselves, who are aware of the facts, to correct in public damaging statements, than to undertake Canadian intervention in a debate between Americans on United States policy. We have the best of reasons for believing that those in positions of chief responsibility in the United States are under no misapprehension as to the extent and form of Canada's contribution. They are not likely to be misled by such statements as that referred to by the hon. member—I should say now the hon. members.

The misrepresentation of any public intervention by Canada might easily prove much more damaging than the original statements it was sought to correct. The fact that we can rely with confidence on the more serious newspapers in the United States to correct misrepresentations can be illustrated by an editorial which appeared in the New York *Times* on February 21, and which I should like to read into the record. This editorial appears in the New York *Times* of February 21 this year. It is entitled "Misrepresenting Canada," and is as follows:

> Our good neighbour Canada is fortunately not unduly sensitive to misrepresentation of her status, her actions and her motives in our congressional debates, or she would have cause for resentment over a recent speech by Senator Wheeler of Montana. "Canada, which is a colony of Great Britain" said Senator Wheeler, has a law "for the drafting of men for three months' time and in that law expressly provides that no draftee may be sent abroad without his consent."
>
> Canada is not a British colony but a free and independent nation, voluntarily linked with other free nations of British origin in a commonwealth of nations in which all are on an equal footing, and from which any of the partners has the right to secede at any time. The senator should know this, for it is part of the information shared by everyone at all conversant with international affairs. Moreover, the reason for Canada's restriction of her drafts for national service is notoriously that she has already, and can continuously command, so many volunteers for service abroad that to draft more men would only be an embarrassment.
>
> Australia and New Zealand, also characterized by Senator Wheeler as "British Colonies", have the same status as Canada. When he goes on to say that "they are not even loaning, to say nothing of giving," war supplies to Britain, but are "insisting that the cash be put on the barrel top," he echoes a statement wholly contrary to the facts and frequently exposed. Canada, Australia and New Zealand all entered this war by the side of Britain of their own free will. Their participation in it is not restricted by monetary consideration other than their capacity to contribute. They pay their own bills, even reimbursing Great Britain for any supplies they cannot themselves furnish, and from their own resources they give to her freely, without measure and without price. Assertions to any other effect by responsible statesmen in Washington do not tend to help our relations with a spiritual ally and staunch friend.

I have thought it desirable to place this editorial on record to illustrate how the best informed citizens of the United States really view statements of the character referred to. I am sure hon. members will, on reflection, agree that nothing could be more unfortunate with respect to furthering the interests of Canada or the interests of the British empire at Washington than for either this country or any other nation of the British commonwealth to take any step at Washington which would give the administration, or the opponents of the administration there, reason to say that we in Canada—particularly the government—were trying to interfere in matters of

their own domestic concern, and were going out of our way to influence the free and independent judgment of the American people.

Mr. T. L. CHURCH (Broadview): Might I ask the Prime Minister if that is the Senator Nye who was the co-author of the Neutrality Act, and who objected in the senate to Canada and England sending "missionaries" as he called them to the United States, professors and lecturers, to "drag America into the war"?

Mr. MACKENZIE KING: I think my hon. friend will have to look up his own "Who's Who" in the United States.

Mr. CHURCH: Should not the government regulate, through passports or in some way, those who go to the states and lecture, because it does Canada harm? People go there and do the empire and Canada a great deal of harm, making speeches about Canada's war effort which are unauthorized by the government.

INCOME TAX

REPORT AS TO PROPOSED APPLICATION TO COOPERATIVE ORGANIZATIONS

On the orders of the day.

Mr. VICTOR QUELCH (Acadia): I wish to address a question to the Minister of National Revenue (Mr. Gibson), or in his absence, to the Minister of Finance (Mr. Ilsley).

In the March 1 issue of the *Financial Post*, on page 1, the following heading appears:

Hear Pool Asked to file tax returns.
Ottawa takes first steps to levy income tax on cooperative organizations.

My question is: Has the Department of National Revenue requested that cooperative organizations throughout the dominion file income tax returns?

Hon. J. L. ILSLEY (Minister of Finance): The attention of the Minister of National Revenue will be called to that question on his return.

WHEAT

INQUIRY AS TO POLICY FOR 1941-42 CROP YEAR

On the orders of the day:

Mr. J. A. ROSS (Souris): I wish to ask a question of the Minister of Trade and Commerce. Speaking on November 22 he intimated that a wheat policy covering the 1941-42 crop year would be announced some time in February.

As many farmers throughout Canada are now anxious to plan their spring operations, will the minister say when we may expect that announcement?

[Mr. Mackenzie King.]

Hon. JAMES MacKINNON (Minister of Trade and Commerce): I well remember making the statement that I would—I think I went that far—some time in the month of February, make a statement as to the wheat policy for the coming year. At the time I said that I had no idea that there would be any trouble in bringing finality to plans for a wheat policy for the coming season. The wheat committee of the cabinet, the cabinet generally, the wheat board, the advisory committee advising the wheat board, and practically everyone interested in wheat in western and eastern Canada, individuals and organizations, have been giving this matter of wheat the very closest study. Any delay that there has been is caused by the tremendous number of different viewpoints on the question and the great divergence of opinion as to what should be the programme for next year. During last week and the early part of this week the wheat board and the advisory committee to the wheat board has been meeting in Winnipeg attempting to bring some finality to their advice to the cabinet in this matter. The wheat board arrived in Ottawa yesterday morning to consult with the wheat committee of the cabinet and I am hopeful that we shall have at least a partial announcement on the matter of policy within the next three or four days.

Mr. DOUGLAS (Weyburn): In view of the fact that the government apparently has not a wheat policy, may I ask whether the possibility has been considered of offering a prize of war savings stamps to those suggesting the best policy?

WAR MUNITIONS AND MATERIALS

INQUIRY AS TO POSSIBLE USE OF PLATE MILL AT SYDNEY, N.S.

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Has the Minister of Munitions and Supply any answer to the question I asked yesterday with regard to the plate mill at Sydney, Nova Scotia?

Hon. C. D. HOWE (Minister of Munitions and Supply): The plate mill at Sydney has received very careful study in the Department of Munitions and Supply. The mill was bought in the last great war but was installed too late to be used at that time and it has not since been operated. To put the mill into operating condition to-day—because I am sorry to say that a good many of the parts are gone, having been used for other purposes—would involve an expenditure of $1,500,000. The difficulty is that even though

Dominion Steel and Coal Corporation have the mill, they have no raw material to make plate. The raw material is all sold to Britain on long-term contract. Britain has been consulted by the department and has advised us that it cannot release any of that tonnage, preferring to get the ingots rather than plate, so far as that particular source of supply is concerned. The government has ample plate capacity in Canada to supply all the needs that can be foreseen at this time both for armour plate and for steel plate for shipbuilding and other requirements, although there is a temporary shortage of tin plate at the moment. We have decided that under the circumstances we are not warranted in financing the rehabilitation of the plate mill, but we are studying the question of installing additional primary steel capacity at Dosco—that is, more open hearth capacity—and I hope a decision on that question will be made early next week.

SOLDIER SETTLERS

STATUS OF MEN WHO ENLIST FOR ACTIVE SERVICE

On the orders of the day:

Mr. A. M. NICHOLSON (Mackenzie): I had intended putting a question to the Minister of Mines and Resources (Mr. Crerar), but owing to the urgency of the matter perhaps I may be allowed to ask it of the ministry. I have here a letter from one of my constituents who enlisted for active service on January 7 of this year. He has sent me a letter from the superintendent of the soldier settlement board in Saskatoon—

Mr. SPEAKER: Order.

Mr. NICHOLSON: This soldier has been notified that unless he makes payment, which he cannot make, he will lose possession of his land within thirty days. Can the minister give any assurance that men in this position will have protection while the war is on?

Mr. SPEAKER: Perhaps the hon. member would put his question on the order paper.

Mr. MACKENZIE KING: I might ask my hon. friend a question. Has he himself spoken to the minister about the matter with regard to which he wishes to have information?

Mr. NICHOLSON: I understand the minister is out of the city.

Mr. MACKENZIE KING: Has he spoken to the deputy minister?

Mr. NICHOLSON: No, I have not.

Mr. MACKENZIE KING: I would suggest, in regard to these departmental matters, that information which is desired could perhaps be expedited if such questions were brought to the attention of the minister himself or of one of the officials instead of having the time of the House of Commons taken up with such less urgent matters at this particular time. I feel it is necessary to direct attention to the fact that questions on the orders of the day should be questions arising out of some immediate necessity and should be put in the form of questions. It is very pleasant to have one's constituents know that one has received their letters and read them in the House of Commons, but that is not the purpose of questions on the orders of the day. Such questions should relate to matters that are imperative and of general interest to the house.

TRANS-CANADA AIR LINES

CONTRACT FOR CARRIAGE OF MAILS—REVISION OF PRICES

On the orders of the day:

Mr. J. H. HARRIS (Danforth): In spite of what the Prime Minister has said, may I ask a question of the Postmaster General or perhaps of the Minister of Transport. I should like to know whether a contract has been entered into between the Department of Transport, who are operating the affairs of Trans-Canada Air Lines, for the carriage of mails; if so, when does it expire, and will the minister responsible for it lay it on the table?

Hon. C. D. HOWE (for the Minister of Transport): No contract has been made for the year 1941. The act as at present drawn requires that a new contract be made each year on the basis of the performance of the old year. It has been found that in actual operation this is hardly possible, because figures for the old year are not available when the new year begins. We are asking for legislation, as my hon. friend will note from the order paper, for a revision of the act.

Mr. HARRIS (Danforth): No revision of price?

Mr. HOWE: Yes, there will be a revision of price as well. It is the intention to cut the price on the carriage of air mail from sixty cents to forty cents a mile beginning the first day of April, 1941.

HOUSE OF COMMONS

ADJOURNMENT AT SIX O'CLOCK ON FRIDAYS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): The order of the day to-day is No. 4, for the house to go into committee of the whole on the resolution respecting the war appropriation bill. Before the house proceeds to that order, I should like to say a word about evening sittings on Friday. On one or two occasions before, I have mentioned to hon. members that as the time of the house is taken up during the week with the discussion, for the most part, of urgent war matters, and all of us are obliged to concentrate very closely on these particular questions, which are most important, that for the present at least, unless there is some special reason to the contrary it would probably meet the wishes of hon. members generally if it were understood that we would adjourn on Friday at six o'clock instead of continuing sitting during the evening. I have discussed the matter with the leader of the opposition (Mr. Hanson), and he and I hold the view that the house has much to gain and nothing to lose by having it understood that at least for this part of the session unless the government deem it important to have hon. members do otherwise, the house will not sit on either Wednesday or Friday nights. Unless there is some view to the contrary on the part of hon. members, I should like to announce now that we will not sit this Friday evening, and that for the present we will not be sitting on other Friday evenings unless there is some special reason why we should do so.

I would draw attention to the fact that intensity of effort is a factor that has to be taken into account in considering the significance of duration of effort. I imagine that in our discussions at this very critical time we are expending more energy in a few days than at other times we would expend in several days. That is a factor which has been recognized in the British House of Commons, and I think we might equally recognize it here.

Hon. R. B. HANSON (Leader of the Opposition): May I say that I concur entirely in what the Prime Minister (Mr. Mackenzie King) has said. Speaking for myself I can say honestly that at the end of the week I feel very tired. It is a tremendous effort to come here in the morning and work continuously from nine o'clock until eleven o'clock at night. I do not think the public will expect men, especially members of the government and others charged with responsibility, including myself, to put in a day as long as that. I must have some relaxation, and I welcome this release from attendance here on Friday night. I hope other hon. gentlemen will concur in the suggestion that has been made by the Prime Minister.

Mr. M. J. COLDWELL (Rosetown-Biggar): Speaking for the small group with which I am associated, Mr. Speaker, I should say we welcome this suggestion. I agree with the leader of the opposition (Mr. Hanson) that members of the government are working under a very heavy strain which to some extent will be relieved if this suggestion is adopted. I have often thought that the Prime Minister (Mr. Mackenzie King) might have some hon. members deputize for the members of the government on occasion, because I realize the heavy strain they are under. We in this little group, with our committee work and so on, welcome this change. Though we are a small group in opposition nevertheless we devote a very considerable amount of time to the work of this house. So I say that not only have we no objection to this proposal; we welcome it, and we hope all other hon. members will welcome it also.

Mr. MACKENZIE KING: I should like to express my appreciation of the cooperation given in this matter, but there is one thing I should like to say to the hon. member for Rosetown-Biggar (Mr. Coldwell). I hope he will not imagine that members of the government are being relieved of any duties because the house rises at six o'clock. We have in the past reserved Wednesday and Friday evenings, when they were free, for additional meetings of the war committee of the cabinet, so that we will be just as busy with the work of the administration at that time as we would be if we were in the house.

WAR APPROPRIATION BILL

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

The house resumed from Wednesday, February 26, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000, for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

Mr. HANSON (York-Sunbury): Mr. Chairman, when the house adjourned on Wednesday afternoon I had partly completed the statement which I wished to make at that time. I desire now to continue with that statement, and I promise the committee that I shall not take any great length of time. May I express the hope that the heat dis-

played from time to time on that occasion has been dissipated, and that we may pursue the discussion of this subject in a calm and philosophical manner.

At the time of adjournment on Wednesday I had partly placed on *Hansard* a statement which I had handed to the press on Thursday, February 20, the opportunity of reading which was denied to me at that time. I had carried the matter down to the point of the various recommendations made by the manufacturers to the acting Minister of Munitions and Supply in January last. I then adverted to the fact that the matter had been given attention by the chairman of the war-time requirements board, who had brought in from the United States a capable executive who was an authority on aircraft production. Apparently there is some little difference of opinion between myself and the Minister of Munitions and Supply with regard to the views of this gentleman. I am informed that his views with respect to Federal Aircraft were in accord with the views of the manufacturers; it has been so stated to me.

Mr. HOWE: I think it is only fair to give the source of that information, because the three gentlemen associated with him have told me the exact opposite.

Mr. HANSON (York-Sunbury): If the minister had waited until I concluded I think I could have saved him the necessity of interrupting. I will repeat that statement. I was informed—and I will now say that I was informed by a member of one of the manufacturing concerns—that this gentleman's views as expressed to them were in accord with those of the manufacturers. The minister stated the other day that the gentleman in question had not so expressed himself to the minister, and I accept that statement. There is no printed record of what the gentleman in question said, so I think the matter will just have to be left at that point. Even if he had said one thing or the other it would not settle anything, but in any case, as far as I am concerned I have to leave there the discussion of what his views were.

I was also informed from the same source that as a result of the expression of that gentleman's views the chairman of the board was in accord with and recommended the dissolution of Federal Aircraft. I am bound to say that according to the chairman's report as it appears in the *Votes and Proceedings*, and from what the minister has said, that information was not well founded. I hasten to say so, and I am sure that is a correct position for me to take. I want to say, however, that with that single exception, everything I said in my statement with regard to this matter of the production of Anson aircraft is in accord with what the minister has said, and in accord with the facts. So far as I know there is just that one item of misinformation that was given to me.

Mr. HOWE: I just want to call my hon. friend's attention to the fact that according to my recollection of his statement it said quite definitely that the programme was very much behind schedule. I do not think that is indicated by the record.

Mr. HANSON (York-Sunbury): We will just see about that. I think I can demonstrate that myself.

I now wish to place on the record the more important of the concluding portions of the statement, in order that the matter may be fairly complete in *Hansard*. The statement proceeds:

> The matter was delayed to await the return of the minister, but as yet the public is unaware of any steps taken to change the existing Federal set-up. On the 31st of January the minister is reported as having said:
>
> "I can see nothing at the moment to indicate that we would get more planes by upsetting the Federal apple-cart." He went on to make a forecast of production, which is considered by aircraft manufacturers to be little short of fantastic.
>
> I am further advised that after his return from England the minister communicated by letter with the aircraft manufacturers who had signed the original memorandum.

That is, to the acting minister.

> He promised that a thorough study of the situation would be made at once and upbraided some of the firms for being behind in their deliveries. All the firms were requested to answer as quickly as possible three questions:
>
> 1. Will the taking of steps you recommend accelerate production of Ansons in Canada, and if so to what extent?
>
> 2. On what facts do you base your opinions?
>
> 3. What guarantee can you and your group give as to a date when substantial deliveries of Anson planes will be made, provided your recommendations are accepted?
>
> I am advised that a joint reply was made to this request, but I am unaware as to its nature, except that the manufacturers have reiterated the basic theme of the complaint against Federal Aircraft, which is that there can be no guarantee of performance under present or proposed reorganization so long as no schedule can be obtained from Federal Aircraft as to when engineering data, raw materials, parts, proprietary articles, castings, forgings, and finished parts, which are to be supplied by Federal Aircraft, will be available.

I believe that paragraph contains the gist of the defects of Federal Aircraft production. I am not going to allocate the blame to anyone. The minister stated that this was a mushroom industry, something that had never before been attempted on a large scale in Canada, the magnitude of which I

cannot at all events encompass in my own mind, and which I doubt if many hon. members can encompass.

But to me, the amazing part of it is that while the minister knew of the representations, asked the questions which he did with regard to recommendations for accelerating production of Ansons in Canada, and received the joint reply in which the manufacturers reiterated the basic theme of the complaint against Federal Aircraft, which was that there could be no guarantee of performance under present or proposed reorganization, so long as no schedule could be obtained from Federal Aircraft as to when engineering data, raw materials, parts, proprietary articles, castings, forgings and finished products, which were to be supplied by Federal Aircraft, would be available, he ignored these recommendations—

Mr. HOWE: I do not like to interrupt my hon. friend, but I think he is reading into the last letter the trade wrote something that is not there. I asked the trade to say when they could guarantee delivery, and they said they could not guarantee delivery until they had that information.

Mr. HANSON (York-Sunbury): That is about the same thing.

Mr. HOWE: I suggest that if my hon. friend wishes to be fair, he should read the last letter from the manufacturers, and take a vote on how many would switch anything to them on that letter.

Mr. HANSON (York-Sunbury): As a matter of fact the minister did not table the letters.

Mr. HOWE: Yes, I did.

Mr. HANSON (York-Sunbury): I have not been able to find them.

Mr. HOWE: I tabled them.

Mr. HANSON (York-Sunbury): I have not found them.

Mr. HOWE: They are there.

Mr. HANSON (York-Sunbury): I have not been able to get access to them; I understood they were not tabled.

Mr. HOWE: I tabled them before.

Mr. HANSON (York-Sunbury): If the minister says they were tabled, then I accept his word.

It was on the basis of all these facts that I was endeavouring in the statement I made, without wishing in any degree to embarrass the government, to ask the minister for a full, complete and true statement of the position, and to tell the house and the country what the government intended to do to end the apparently impossible position then existing with regard to aircraft production in Canada, referring particularly, of course, to the production of Avro-Ansons, one of the most urgent necessities in our war effort. My statement was directed almost entirely, if not altogether, to the production of Avro-Ansons.

I should like now to give the committee and the country a little resume of the history of aircraft production in Canada, in connection with this war effort. I am not speaking of the production of planes for civil aviation, which was carried on to a very limited degree before the war. I am speaking with regard to Canada's war effort, and the action of the government.

That history I set out as follows:

1. No contracts for aircraft in connection with the war effort were placed in Canada by the Canadian government from the time the war broke out until February, 1940.

2. Primary trainers, Fleet and Tiger Moths and intermediate trainers—Harvard—were then ordered from Canadian manufacturers.

3. Avro-Ansons at that time were to be supplied complete from England, less wings and tail surfaces, which were to be ordered in Canada.

4. When France fell, this government decided to make Avro-Ansons completely in Canada, with American Jacobs engines and instruments imported from the United States.

In July, 1940, the Canadian Avro-Anson programme was in a disorganized state, and at that time Federal Aircraft Limited was formed to coordinate the plans and to speed up production. I believe the minister will admit that this is a fair statement of the object of setting up Federal Aircraft.

Mr. HOWE: It was set up to organize it. There was no disorganization, because nothing had been done about it.

Mr. HANSON (York-Sunbury): That may be a matter of opinion. It is the opinion of some people, and it is my opinion. That, however, may not be worth much.

Mr. HOWE: Not very much, on that subject.

Mr. HANSON (York-Sunbury): Then we can agree on that, at least, that my opinion is not worth much.

I now call attention to a press release covering the week of June 28, 1940, given out by the bureau of information, in which the following information was supplied under

the heading "aircraft expansion". This is one of those press releases. I do not say the minister is responsible for it, but somebody is. Certainly the minister is partly responsible for it. It is one of those things fed to the Canadian people about that time which tended to soothe them to sleep with regard to the government's war effort. This is the part to which I call attention:

Duties in Canada previously allocated to the British supply board have been vested in the Department of Munitions and Supply. The department will now place orders direct for the British government. This arrangement is expected to expedite the placement of orders for British requirements and generally speed up the production of munitions of war in the dominion. Canadian industry is being geared up to meet Great Britain's needs.

I have no objection at all to that paragraph. I believe it contains a fair statement of the objective at that time. Then the statement goes on to say:

In announcing the appointment of Mr. R. P. Bell, prominent business executive, to the executive committee of the Department of Munitions and Supply, Hon. C. D. Howe intimated that many difficulties in the supply of aircraft had been overcome. Mr. Bell's responsibility will be that of coordinating the entire aircraft production throughout the dominion, and accelerating the output of the aviation industry. Mr. Bell is serving without remuneration. He commences at a time when the Canadian Aircraft Industry has responded splendidly to the emergency created by the inability of Great Britain to ship components under the terms of the joint air training plan.

That is quite a tribute paid to the industry by the minister at that time. It continues:

This response has been such that the larger part of the programme, which covered two years, has been compressed into a one-year plan.

Mark this sentence:

Elementary trainer planes are already being produced on a mass production basis.

I wonder whether that was a correct statement of the position—"a mass production basis." Of course I quite realize—

Mr. HOWE: What does the hon. member mean by a mass production basis?

Mr. HANSON (York-Sunbury): I am asking the minister what he means by a mass production basis. It is a quotation from his statement.

Mr. HOWE: Yes, but the hon. member says it is not on that basis. We shall have to have an agreement on that.

Mr. HANSON (York-Sunbury): I wonder whether that was a correct statement for the minister to make, having regard to the facts as they existed at that time, and especially as they existed with respect to some of the planes, the elementary planes—trainer planes —the minister had in mind.

Mr. HOWE: Elementary training planes have never been behind schedule.

Mr. HANSON (York-Sunbury): I never said they had. This does not say anything about schedule; it says they were being produced on a mass production basis. That means to the people of Canada a large production basis.

Mr. HOWE: How large?

Mr. HANSON (York-Sunbury): I do not know. The minister stated that, but he did not enlarge on his statement. His remarks continue:

Engines for other planes have been ordered from the United States to replace those to have come from Great Britain, and Canadian plants are now turning out training and service planes, bombers and fighters, as fast as modern industrial practice permits.

That may be true with regard to training and service planes, but I am just wondering, and I ask the minister, whether it is true that they are turning out bombers and fighters as fast as modern industrial practice permits. If he means modern industrial practice in Canada, then of course that does not mean much. But it was intended, I think, to lull the Canadian people into the thought that we were getting bombers and fighters in substantial numbers every week and every month. I suggest that that was not a true factual statement, that it was intended only to keep the people quiet and to prevent them from asking questions.

As the minister stated on Wednesday last, the general manager of Federal Aircraft was Mr. Moffett, chief aeronautical engineer of Canadian Vickers Limited. I do not know this gentleman and I would not wish to say one word to injure his reputation in the slightest degree. I would have no reason for saying this, and I would not have referred to him had not the minister done so. But this is clear: After public criticism and press criticism became apparent following the minister's return from England earlier this year, Mr. Moffett was replaced by Mr. Newman, of the Canadian Pacific Railway company.

In August, 1940, the minister gave Mr. Bell the choice of remaining as president of Federal Aircraft Limited or continuing as director of aircraft production. Since the retention of the former post would probably have meant his transfer to Montreal, Mr. Bell elected, as I understood the minister, to re-

main as director of aircraft production. Mr. Lawson was appointed president of Federal Aircraft.

This is the point I want to make. There was continued disorganization of the Anson programme during the latter part of 1940, after Mr. Lawson came in. I am informed that this disorganization was made even worse by bad management or bad judgment, or perhaps both, in Federal Aircraft itself. During the balance of 1940 there were many meetings held between the minister and members of the industry under contract to supply portions of the Anson programme in an effort to show him the situation.

Mr. HOWE: That is not true.

Mr. HANSON (York-Sunbury): That is the statement as made to me.

Mr. HOWE: I never in my life discussed Federal Aircraft with the industry.

Mr. HANSON (York-Sunbury): All right; I shall have to leave it at that. I am informed that, as a result, many promises were made by the minister, but that no action was taken by him in spite of the fact that many individuals in his own department, in the Department of National Defence for Air, in the industry, and even in Federal Aircraft itself, wanted a change. That is the statement which was made to me by a responsible member of the industry.

Mr. HOWE: My hon. friend is reporting what I did and I must say—

Mr. HANSON (York-Sunbury): It is what the minister did not do.

Mr. HOWE: I never discussed Federal Aircraft with the industry. I have discussed it casually with individual members of the industry, but Federal Aircraft were handling their own affairs. I have discussed Federal Aircraft with the president and directors of Federal Aircraft, but that is the only serious discussion I had with anybody.

Mr. HANSON (York-Sunbury): I am informed the minister did have a discussion. If the minister says he did not, by the rules of the house I am bound to accept his statement.

I come now to January of this year when the industry, through the Air Transport association, wrote asking for a meeting with the government to discuss the problems of aircraft production. As has already been stated, the acting minister invited six of the main contractors in the Anson programme to describe the situation to him individually and later to produce collective recommendations. This was done on January 7, and among other things they called for the dissolution of Federal Aircraft. The acting minister himself left the impression with the representatives of the industry that he was fully persuaded that they were advocating the proper policy and, it is stated, cabled the minister, who was then in England, asking permission to act, but this was refused.

Then the chairman of the war-time requirements board arranged, through Mr. Carmichael, for a report by Mr. Breech. I shall not go over this again. This is what the industry thinks ought to be done. The industry has represented that the war-time requirement is for an aircraft production head with complete authority, with its own finances, and particularly encompassing the engineering division of the Royal Canadian Air Force.

Mr. HOWE: Does my hon. friend recommend that?

Mr. HANSON (York-Sunbury): I am saying what the industry recommends.

Mr. HOWE: What about parliamentary control?

Mr. HANSON (York-Sunbury): That is another point. There was a falling off of production of aircraft in England, but Lord Beaverbrook was taken into the ministry for the purpose of getting results in production. He broke through every tradition with regard to parliamentary control; he is now a dictator in effect with respect to aircraft production, but he got results.

Mr. RALSTON: I think my hon. friend has made entirely too wide a statement when he says that Lord Beaverbrook broke through every tradition with regard to parliamentary control. That is exactly the point my colleague was making, that you could not break through parliamentary control.

Mr. HANSON (York-Sunbury): I realize the difficulty and I pointed it out. I realize there is the matter of parliamentary responsibility, and at the moment I am not advocating that Mr. Bell, or whoever may be appointed, should be made a dictator.

Mr. RALSTON: Or Lord Beaverbrook.

Mr. HANSON (York-Sunbury): He has pretty wide powers.

Mr. RALSTON: But he has not the power to supersede parliamentary control.

Mr. HANSON (York-Sunbury): What he says goes with the British government. Someone should be put on the job. He could be made responsible to the minister—I agree that that ought to be done—but he should

get results. I do not think we can go as far as the industry has suggested we could, and I have told them so. To sum up, the industry still recommends that Federal Aircraft should be dealt with as indicated in the aircraft manufacturers' joint memorandum of January 7, 1941.

It is hoped, and in order to attain economical and rapid large-scale production it is fundamentally necessary, that orders be placed with the industry for at least a year ahead. This has not been done and most of the aircraft manufacturers have not yet been fully occupied. It will be apparent, I think, that on all orders for 200 aircraft or more the manufacturers have made good deliveries—I think the minister himself demonstrated that the other day—in some instances being a year ahead of schedule.

In his anxiety to throw up a smoke screen to hide or obscure certain established facts, the minister used harsh and bitter words, especially toward certain of the press of this country. But I want to say to him and to the committee that those harsh and bitter words will not prevent us from analysing the situation objectively, or from searching out every fact that may bear upon the situation. I was pained to hear the minister use language which created the impression that everyone who differed from him or who criticized him was a saboteur. That was the impression created in my mind. Too easily has he concluded that Canada's war effort and this government are coterminous. May I suggest to him that he should understand that criticism of the government may help, not hinder, the government's war effort. One of our objectives is to demonstrate any weaknesses that may exist so that inefficiency shall not honeycomb our war effort, in order that we may have the planes and more planes so urgently requested.

There seems to be an inconsistency between some of the minister's declarations. May I point out that possibly he has a short memory? In a speech on Wednesday last, he said this, as reported at page 1053 of *Hansard:*

> In our most optimistic moments we never expected that we would get any substantial production of Avro-Anson planes until March.

That is what the minister said two days ago. On February 21, in reply to the hon. member for Cumberland, who suggested that production of Ansons was months behind schedule, the minister said, as reported in *Hansard,* page 922:

> No. There was never the slightest thought in anyone's mind that we would get the first Avro-Anson plane before the end of February, 1941. . . . All I will say now is that we never anticipated having Avro-Anson planes of Canadian manufacture delivered at this date.

But what did the minister say on the 30th July last? He may check me if he wants to; I have *Hansard* here, page 2116 of last session:

> It is anticipated that Canadian production of Ansons will commence before the end of this year.

This was after Federal Aircraft was set up. No doubt the minister had some reason for making that statement. Why does he not have his secretary or somebody check up on his previous statements?

Mr. HOWE: Well, Mr. Chairman,—

Mr. HANSON (York-Sunbury): All right, now.

Mr. HOWE: On the 30th July, Federal Aircraft had been set up for ten days, and we were not aware at that time that we had to make a complete re-design of the plane. We thought we had a straight manufacturing proposition.

Mr. HANSON (York-Sunbury): I tried to say that, to be fair, that there were reasons upon which the minister based his anticipation.

Mr. HOWE: I gave the house my best statement at the time.

Mr. HANSON (York-Sunbury): I am not questioning the minister's good faith. Again I make that statement, and make it quite clearly. I am questioning whether the minister's judgment and the minister's efforts have always been exercised to the best advantage in this matter. I never yet questioned his good faith.

I should like to go a little further. The minister, I believe, is the hardest-working member of the administration. I say that; that is evidence of fairness, is it not? I certainly believe that, but I honestly believe also that the minister undertakes too much and therefore has not accomplished all that he might have accomplished. I know it is commonly true of the man who is endeavouring to do a big job, that he thinks he can do it better than anybody else, and very often he is right, but it clogs up his effort with regard to other matters. I know that in the practice of the law, in the drafting of contracts and that sort of thing, I have often felt that I might save a good deal of time if I could delegate these matters to other people, but in the actual practice of working the thing out, it was my belief that I could do it much better than the other fellow in my office, and I did not give it to him, and sometimes got waterlogged with work. That,

I believe, has happened to all of us. The Minister of National Defence will agree with the principle I am trying to enunciate. I think, if I may be allowed to say so, that has been one of the minister's weaknesses.

Mr. RALSTON: I do not plead guilty to being "waterlogged."

Mr. HANSON (York-Sunbury): Perhaps that was not a happy term. I do not mean to suggest that it is literally true. But that is one of the defects of people of the minister's quality. In endeavouring to do a job, he has endeavoured to do too much. I beseech him to take this suggestion from me in the spirit in which it is offered, that he try to impose on somebody else the burden of aircraft production and not keep every rein in his own hands. That advice is offered in the best of good faith.

Mr. HOWE: I offer the problem of aircraft production to anyone who cares to take it.

Mr. HANSON (York-Sunbury): Do not offer it to me.

I believe, having said what I have, that I have given some evidence of good faith and shown no desire to clog the government's war effort. Believe me, I do not want to do anything of that sort, and I do not want anybody to say that I am making criticism just for the sake of criticism or to impede the minister or anybody else at this period. We think certain things are wrong. We think it is our duty to point them out. When we have done that, I believe we have concluded our duty. I may say that for one thing which we think is wrong and which I have pointed out on the floor of this house, I have pointed out to ministers, to deputy ministers and to their executives a dozen other things which will never see the light of day; and they thanked me for doing it. I regard it as my duty to do it in that way and I shall continue along that line. If I were seeking to throw mud and scandal in the faces of ministers and the administration, I would not adopt the course I have adopted. But that is the course I intend to pursue. If anybody is sending me material just for the purpose of discrediting the war effort and not for a constructive purpose, I give him public notice here and now that I do not intend to use it in that way, and that I shall not do so until the whole thing bogs down, and then we shall have a real showdown.

My mail is flooded daily with suggestions as to this, that and the other thing. Ninety per cent of it is chaff and it goes in the waste-paper basket. But ten per cent may be wheat; I try to examine it, and when a question arises, and the opportunity offers and I have time, I send for some man whose department is concerned; I tell him about it; I ask him to investigate it, and I am prepared to take his decision. I conclude that my duty is then done.

That is my practice with regard to individual matters which have arisen. Possibly I am doing a better service to the war effort of the country by adopting that line of policy than some people would give me credit for.

Coming back to this question of the minister's, shall I say optimism, I wonder whether he will take exception to this observation, that the statement made by him in this house on July 30 created the impression that this particular class of planes would be in production before the end of 1940? That was the inference which I myself took from his language. I am bound to tell the minister that I was greatly buoyed up by it, because I had known of the situation in Amherst. So far as I am concerned, this Anson business goes back to the unemployment situation in Amherst. Later on, I was there and saw the situation. Can the minister honestly complain if we rather hesitate to accept his assertions after comparing those statements and exposing their inconsistency.

I wish to refer to one other passage in his speech of July 30 last, and then I shall not quote anything more. On that same page of *Hansard*, page 2116, the minister said this—and I want the committee to mark these words:

> Early in 1941, we expect to have a production of 360 planes per month, or about 12 planes per day, Sundays and holidays included, on the basis of production now arranged for. A further production programme is now being discussed between Great Britain and ourselves which promises to materially increase this output.

I am bound to say that this was a heartening statement and I applauded it at the time. If Canada, early in 1941, could have this production of planes, 12 a day, it would be splendid. I have no doubt the minister made the statement in good faith, but unfortunately production has not measured up to that estimate. I do not blame the minister for that. I know that there have been numberless changes in the designs of these planes. None of them, I would say, are standardized so that they can be turned out by mass production like motor cars. But the Canadian people are apt to be lulled to sleep by a promise like that, and when they find that the fulfilment is not up to the promise and the expectation, then of course there is criticism. The minister must not be unmindful of that and he must not be resentful. All the criticism I make at the moment is that probably the minister was too optimistic at that stage, but

I am hopeful that aircraft production in Canada will reach the point suggested, and higher too. Like every other new industry, it has to grope its way through all difficulties; it has to go through the morass of lack of engineering data, lack of designing data, lack of many of the things we cannot make in Canada and have never made. It could not be expected that we would have a greater effort, and yet the minister promised such an effort. I think he was too optimistic. That is a charitable view to take and I will leave it at that.

We have not come very close to fulfilling expectations, and I suggest to the minister that this is the sort of thing to which the Canadian people have been objecting. Our expectations are raised and disillusionment is painful. I do not know what the facts are about production, but one newspaper states that actual deliveries in January were 60 per cent of the estimate, and most of the production is that of small primary trainers. Apparently they have been able to produce these with considerable facility. I should like the minister to tell us exactly, if he did not tell us the other day in plain terms, just what the facts are, and I suggest that vituperation and bitterness will not produce planes, but that a plain unvarnished statement of facts, without vituperation and bitterness, will help the house and the country to reach conclusions on policy and will redound to the credit of the minister.

The minister has admitted that the manufacturers were requested by the acting minister to submit recommendations as to what should be done with the Avro-Anson programme. He has read the letter submitted by the manufacturers, in which they made five recommendations, and the fact is that five important recommendations were made by the manufacturers themselves and, it is said, ignored by the minister. The minister agrees with me. He ignored their recommendations. Why did he ignore those recommendations? Were they ineffective? Were they irresponsible recommendations? Were they such that they should be ignored?

Then, the minister admitted that he personally requested the manufacturing firms to answer three questions. He admits that the questions as I stated them were exactly as asked, but he did not tell us—and I suggest that this is a significant omission—what the joint reply of the firms was. I invite him to add their reply to the record. I have already stated—I stated it in the statement I gave the press and I will not repeat it—what I believed their reply was, namely, their reiteration of the basic theme of complaint against Federal Aircraft, that there can be no guarantee of performance, and the several matters to which I have referred.

The minister has neither confirmed nor denied the statement. To my amazement, he has not given any reasons or explanations why he has refused to follow the unanimous recommendations of the manufacturers. In my view—and I say this in all charity—he failed to take the Canadian public into his confidence, and I invite him to do so while there is still time.

In conclusion, I just desire to say that we on this side have a duty to perform to the Canadian people, and we shall not be intimidated from making criticism of the government's effort. I repudiate entirely the suggestion of sabotage, and that such criticism is designed to impair production. I repudiate these suggestions on the part of the minister. The minister said that the department was being disorganized by such criticisms. We have made no criticism of the department as such, or of the executives. In fact, I have always defended the executives. I did so the other day. What we have criticized is the set-up which the minister launched in July, 1940, and which, by the unanimous consent of those who know best, namely, the aircraft industry itself, has failed to perform the functions for which it was intended.

Before I take my seat I should like to ask the Minister of Munitions and Supply if he will table at the earliest possible moment:

(a) A copy of all contracts between the government and Federal Aircraft Limited;

(b) A copy of all contracts between the government and/or Federal Aircraft Limited and the manufacturers of Avro-Anson planes;

(c) A copy of all letters, telegrams, memoranda, or other documents exchanged between the government and Federal Aircraft Limited and/or any official thereof, with reference to the speeding up of production, the personnel of Federal Aircraft Limited, the status of Federal Aircraft Limited, and associated matters;

(d) A copy of all letters, telegrams, memoranda, or other documents exchanged between the government and/or Federal Aircraft Limited and/or any official thereof and any manufacturer or manufacturers of Avro-Anson planes or parts thereof relating to the speeding up of production, the status of Federal Aircraft Limited, and associated matters.

I have finished with what I had to say on this matter. I am sorry the debate took the turn it did. I do not think it was necessary or desirable. A newspaper or a public citizen of this country, making statements based upon

information received bona fide, information which would in legal parlance constitute reasonable and probable cause, a term which my legal friends know—any public man or any public newspaper, I say, making statements based upon information of that kind, free from malice—I put that in because I think it is important—has no right to be termed a saboteur.

Mr. HOWE: Perhaps I should make a few remarks at this time in reply to my hon. friend the leader of the opposition. My remarks as to the nature of the sabotage, which were general in their character, were hardly intended to reflect on the hon. gentleman himself or any member of the opposition. I was talking rather fast that day—

Mr. HANSON (York-Sunbury): I think you were a little heated.

Mr. HOWE: I doubt if I directed them in that way. I was endeavouring to show the harm that is done by criticism of the type I call sabotage. As far as my references to one particular newspaper are concerned I have nothing to retract. I made them after careful consideration, I believed sincerely what I said and I do not wish to be regarded as softening at all those remarks.

Mr. HANSON (York-Sunbury): You are going to have the battle out.

Mr. HOWE: Oh, yes. So far as Federal Aircraft is concerned, and the reason that the trade took it upon themselves to come to Ottawa, I believe there was a little organization in that outside the trade itself. I got a letter—

Mr. HANSON (York-Sunbury): Not from me.

Mr. HOWE: No.

Mr. MacNICOL: Were they not invited?

Mr. HOWE: They asked for the appointment, they were permitted to come; we will put it that way. I did not think the acting minister indicated the other day that he asked them. I have not looked into that matter.

Mr. HANSON (York-Sunbury): He was not sure.

Mr. HOWE: I think it came the other way—they asked to come and he permitted them to come. I think the position they took was more or less outlined to them after they came. I got a private letter from one of them, written the same evening, which I received on my return, which indicates that that was the case. However, be that as it may, we have six firms who were subcontractors of Federal telling us how to operate Federal. I have never permitted my subcontractors to tell me how to operate my business, and I have had many of them "gang up" and try to tell me. Remember this: these are people holding contracts with Federal Aircraft, whose profits depended on their relation with Federal. I doubt if because six of these subcontractors "gang up" and come to Ottawa the government is bound to accept their recommendations.

Mr. HANSON (York-Sunbury): I suggest that the minister do not use that expression "gang up."

Mr. HOWE: Well, say join together. I am using the language of the contracting business, and we are talking about contracts here.

Mr. HANSON (York-Sunbury): It sounded to me like the language of thugs.

Mr. HOWE: Oh, no—perfectly good usage. However, so much for the prima facie case. I do not agree with the leader of the opposition that because six of them come and put in a report, the government is bound to accept the report. But the government is bound to give it consideration, and consideration was given.

Mr. BLACK (Cumberland): Does the minister not think it proper that those heads of industries who were made responsible for this production and who were suffering because the blame was placed on them should present their views?

Mr. HOWE: Is the hon. member asking a question or stating his own interpretation?

Mr. BLACK (Cumberland): Well, does the minister not think it perfectly proper for them to come and make these representations, when the blame for failure to get production was put on them?

Mr. HOWE: I do not question the right of the manufacturers to come. They came, they were well received, and they submitted a written statement. I am not questioning their right to do so, but I am questioning the position that when they do so we are bound to follow their views. When we received representations of that kind from six responsible firms we were bound to give them consideration and study, which we did. I wrote back to the firms—I do not remember the questions; they were tabled. Perhaps my hon. friend would lend me the letters.

Mr. HANSON (York-Sunbury): Yes. We sought in the proper office of this house for those letters, and they said they had never heard of them. We did not get them.

Mr. HOWE: I had them on my desk when I was making my address.

Mr. HANSON (York-Sunbury): According to the clerk's notation they were tabled on the twenty-sixth.

Mr. HOWE: I gave them to a page boy; I cannot trace them after that.

On January 31 I wrote to the firms saying that on my return from the United Kingdom my attention had been called to recommendations signed by six firms with some experience in the manufacture of aircraft or components, which must of course receive careful consideration. I said that a thorough study of the situation was being made at once; that I was confident they would not make recommendations without being exceedingly sure of their ground, and that I would like their prompt written reply to the following questions. Now, I think these are reasonable questions:

1. Will the taking of the steps recommended, in your opinion, accelerate the production of Ansons in Canada, and, if so, to what extent?

In other words, would we get the planes quicker by following the procedure they asked, or would we not? I had to know that. I want planes as quickly as I can get them.

2. On what facts do you base your opinion in this regard?

3. As one of the contractors holding a subcontract for this production, what guarantee can you and your group give as to a date when substantial deliveries of Anson planes will be made, provided your recommendations are adopted?

It is no trivial matter to disband a company with commitments as large as Federal had, amounting I suppose to many millions of dollars, perhaps fifteen or twenty millions. To wipe that company out with a stroke of the pen and say, "The company is gone; now someone else pick this up," I felt would not further the matter much. It would take a manufacturer six weeks to pick it up; we had a drafting staff of about fifty and a total staff of double that number.

Mr. MacNICOL: Why were plans not brought from England after the fall of France, instead of taking time to draft them here?

Mr. HOWE: Plans were brought from England, but as I tried to explain they involved Whitworth threads, English standards, and for large-scale production here it is not easy to get English threads and standards. For that reason we had to redesign to adapt them to Canadian standards. At the same time the air force said that to make the Avro-Anson their ideal twin-engine trainer they wanted extensive changes in design—a roomier cockpit in order that proper instruments could be put in, and several other changes.

We were not starting to design the plane from the beginning; we were taking the English plans and trying to make the necessary modifications for production here.

Mr. HANSON (York-Sunbury): I will help the minister further: Did they not go a long way further than that and make continuous changes in the design?

Mr. STIRLING: And a different engine?

Mr. HOWE: Yes, we had a new engine mounting to put in, which meant new piping all through the plane and involved a complete redesign.

I think those are fair questions. Here is the reply, and I would ask hon. members if, having these replies, they would have done anything other than what I did.

Mr. HANSON (York-Sunbury): Would it not facilitate matters if it was understood that the whole of the three letters should go on *Hansard?*

Mr. HOWE: Very well; I will ask that all three letters go on *Hansard.* I am now referring to the letter dated February 5, signed by five of the six contractors; apparently one dropped out. I have read the first question in my letter of January 31; this is the answer:

Our opinion is as expressed in our recommendations of January 7, that the Anson project can be expedited in the manner outlined. As to the degree of acceleration which could take place, we have not sufficient information before us to answer this question with a proper degree of accuracy. A further complete study of the present production plans of the Federal Aircraft, Limited, and the de Havilland Aircraft of Canada, Limited, would be necessary before the tempo of this acceleration could be ascertained.

That is vague, to say the least. Then to the next question,—"On what facts do you base your opinion in this regard?"—this is the answer:

The fact that the principal contractors of the Anson programme believe a change would be beneficial.

I think a fair question would be, beneficial to whom? Then this was the answer to question 3:

No guarantee of delivery dates can be given by the contractors, as no schedule has been supplied by Federal Aircraft Limited showing when the raw materials, A.G.S. parts, proprietary articles, castings, forgings, finished parts which are to be supplied by Federal will be available.

On the strength of those answers I ask the committee if anyone would be justified

in taking away that contract from Federal and giving it to the industry. The industry say, "Yes, we think we can do better." We ask, "On what do you base your opinion?" They reply, "Well, we just think it would be better, that is all." They give no basis whatever for their belief. Then we ask, "When can you give us a plane?" Their reply is, "Well, we don't know, but it depends on a lot of things." Well, so it does, but at least in connection with Federal we know on what it depends; we know the situation; we know what we can do. We have had an expert look at it, and certainly he did not recommend upsetting Federal. Nor did our own men, who were charged with the duty of investigating the matter, recommend that the contract be taken away from Federal. Certainly I would have acted on very slender information if at that time I had proceeded, on the opinion of five firms, all subcontractors of Federal, to suspend Federal and put ourselves in the hands of these subcontractors. In conclusion they say:

> In closing we would like to say that we have no interest or preference in this matter other than to see the work in which we are engaged progressing as satisfactorily and as rapidly as possible, and that whatever your decision may be you will find our companies ready as always to cooperate to the maximum of our ability.

That is a very fair statement.

Mr. MacNICOL: Did they not recommend that de Havilland alone prepare the designs, arrange the necessary set-up and everything else that had to be arranged in regard to production, at the de Havilland plant; and that after an investigation by a real manufacturer, by de Havilland, the work should be distributed among all the firms in order that they might manufacture by mass production?

Mr. HOWE: Yes, the suggestion was that de Havilland replace Federal as the main contractor, for whom the others are subcontractors. Then de Havilland would become its own subcontractor; that is, it would occupy a dual position. It would be the general contractor, because the proposal was that Federal, which was the main contractor, should be wiped out, and that de Havilland should take over that work and distribute the subcontracts among the industry.

Mr. MacNICOL: Is that not the very same method followed at Fort William, where apparently very fine work is being done? I understand that all the investigations are made at this plant, and that the other plants —they may be branches of the same company scattered across Canada—send their master mechanics to Fort William to see just what has been developed there, and to obtain the jigs, the plans and whatever else is required, and then return to their own plants. Is that not why production is going so very satisfactorily in connection with the Hurricanes being turned out by the company?

Mr. HOWE: Of course every plant making finished aeroplanes contracts out certain of its business. I think in Fort William they contract out the wings and probably many other parts. I should say, however, that at Fort William they manufacture seventy-five per cent of the plane in their own plant.

Mr. MacNICOL: And the set-up in that plant is followed in all others?

Mr. HOWE: Yes. That is the case also with Fleet and de Havilland, to a small degree; they contract out parts of their planes. Every contractor does. I suppose there must be easily two or three hundred plants in Canada making aeroplane parts.

Mr. MacNICOL: I believe there are some twenty thousand parts to each plane.

Mr. HOWE: Yes. I do not consider it any reflection on the contractors if we do not accept their views. Why should we? I have had contractors come to me before this and say they think something should be done differently. I look into it, but I am not bound to take their opinion. If I am the man in charge of the job I have to make my own decision, and I made it in this case. We decided to carry on Federal. After exhaustive investigation and a very thorough study of the possibilities of Federal we decided what could be done there by way of revamping the organization, and we decided that we could get better results with Federal than we could by dropping Federal at that stage of the proceedings and turning over the whole matter to de Havilland. That was a decision I had to make, and for better or worse I made it. I do not think any argument in this house is going to decide whether it was for better or worse. Perhaps we will know before the end of this calendar year.

Mr. ADAMSON: That was the view taken by the minister and the experts in his department?

Mr. HOWE: It was the view taken by me. I have to decide. Let us not analyse the department to see who voted this way and who voted that way. I hope my hon. friend is not suggesting that.

Mr. ADAMSON: No.

Mr. HOWE: The three letters to which I referred are as follows:

Ottawa, Ontario,
February 5, 1941.

The Honourable Mr. C. D. Howe,
Minister of Munitions and Supply,
Ottawa.

Dear Sir,—

We have before us your letter of January 31 and before answering the three questions which you have laid before us we would like to recall the circumstances under which these recommendations were made, namely that we were invited by the acting Minister of Munitions and Supply to go to Ottawa to discuss certain matters in connection with Anson aircraft. After these interviews with the acting minister we were requested to hold a meeting of the manufacturers of Ansons, and the recommendations which you refer to were the result of this meeting. Your letter refers in Question 3 to a group and we have therefore again met as quickly as possible in Ottawa and have prepared the following answers:

(1) Will the taking of the steps recommended, in your opinion, accelerate the production of Ansons in Canada, and, if so, to what extent?

Our opinion is as expressed in our recommendations of January 7, that the Anson project can be expedited in the manner outlined. As to the degree of acceleration which could take place, we have not sufficient information before us to answer this question with a proper degree of accuracy. A further complete study of the present production plans of the Federal Aircraft Limited and the de Havilland Aircraft of Canada, Limited, would be necessary before the tempo of this acceleration could be ascertained.

(2) On what facts do you base your opinion in this regard?

The fact that the principal contractors of the Anson programme believe a change would be beneficial.

(3) As one of the contractors holding a subcontract for this production, what guarantee can you and your group give as to a date when substantial deliveries of Anson planes will be made, provided your recommendations are adopted?

No guarantee of delivery dates can be given by the contractors as no schedule has been supplied by Federal Aircraft Limited, showing when the:

Raw materials
A.G.S. parts
Proprietary articles
Castings
Forgings
Finished parts

which are to be supplied by Federal will be available.

In closing we would like to say that we have no interest or preference in this matter other than to see the work in which we are engaged progressing as satisfactorily and as rapidly as possible, and that whatever your decision may be you will find our companies ready as always to cooperate to the maximum of our ability.

Yours very truly,

Canadian Car & Foundry, Limited,
V. M. Drury,
President.

National Steel Car Corporation, Ltd.,
R. J. Magor,
President.

Ottawa Car & Aircraft, Ltd.,
Redmond Quain,
President and Managing Director.

de Havilland Aircraft of Canada Limited,
P. C. Garratt,
Managing Director.

Massey Harris Limited,
M. F. Verity,
Superintendent.

January 31, 1941.

Dear Sir,—

On my return from the United Kingdom my attention has been called to the document signed by yourself and several others, dated January 7, with reference to Federal Aircraft, Limited, with which firm you are, I believe, a sub-contractor.

Recommendations signed by six firms with some experience in the manufacture of aircraft or components, must, of course, receive careful consideration, and I am having a thorough study of the situation made at once.

I am sure that you would not make recommendations without being exceedingly sure of your ground, and I would, therefore, like your prompt written reply to the following questions:

(1) Will the taking of the steps recommended, in your opinion, accelerate the production of Ansons in Canada, and, if so, to what extent?

(2) On what facts do you base your opinion in this regard?

(3) As one of the contractors holding a subcontract for this production, what guarantee can you and your group give as to a date when substantial deliveries of Anson planes will be made, provided your recommendations are adopted?

Your prompt reply will greatly assist my investigation.

Yours very truly,
(Sgd.) C. D. Howe.

This letter was sent to the following:

V. M. Drury, Esq.,
President,
Canadian Car & Foundry Ltd.,
Montreal, Que.

M. F. Verity, Esq.,
Superintendent,
Massey Harris Ltd.,
Toronto, Ont.

S. Burke, Esq.,
President,
Boeing Aircraft of Canada Ltd.,
Vancouver, B.C.

P. C. Garratt, Esq.,
Managing Director,
de Havilland Aircraft of Canada Ltd.,
Toronto, Ont.

R. J. Magor, Esq.,
President,
National Steel Car Co.,
Montreal, Que.

Redmond Quain, Esq.,
President and Managing Director,
Ottawa Car & Aircraft Ltd.,
Ottawa.

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REVISED EDITION

Following the request of the Acting Minister of Munitions and Supply for the opinion of the undersigned as to how the Anson project can be expedited, the following unanimous recommendations are submitted:

1. Federal Aircraft Ltd., to be dissolved.

2. de Havilland to be asked to manage (or administer) for the department, the Anson project, taking over the personnel, material, records, etc., of Federal Aircraft Limited forthwith.

3. de Havilland to assume responsibility for engineering and procurement of material.

4. These functions of de Havilland not to include the taking over of Federal Aircraft Limited's financial obligations (other than for material) or financial functions or contractual obligations; all of which the department can handle best.

5. Contracts for components, etc., made henceforward to be with the department (upon the recommendation of de Havilland, if desired).

DATED 7th January, 1941.

Massey Harris Ltd.,
M. F. Verity,
Superintendent.

Boeing Aircraft of Canada Ltd.,
S. Burke,
President.

National Steel Car Ltd.,
R. J. Magor,
President.

Canadian Car & Foundry, Ltd.,
V. M. Drury,
President.

de Havilland Aircraft of Canada, Ltd.,
P. C. Garratt,
Managing Director.

Ottawa Car & Aircraft Ltd.,
Redmond Quain,
President and Managing Director.

Mr. DOUGLAS (Weyburn): I want first to remind the committee that the members of the Cooperative Commonwealth group in this house, at the outbreak of war envisaged just such a debate as has taken place during the last few days in reference to these war appropriations. With that in mind we made two suggestions to deal with such a situation. First we suggested that from time to time the government ought to have closed sessions of this house at which hon. members could be given confidential information—not necessarily units of production—as to the actual progress being made in the supplying of war material. Failing that we suggested that a committee should be set up representing all parties in the house, to which information could be given as to the exact progress we were making in the production of war materials. We should not confuse that committee with the committee the Prime Minister is suggesting to go over the accounts. That is a different matter altogether; accounts are one thing and actual production of the article is another.

[Mr. Howe.]

The government did not see fit to accept either of these suggestions, for various reasons into which we need not go at this time. But I want to remind the Minister of Munitions and Supply that if he feels there has been undue criticism of him the blame can be laid nowhere else than at the door of the government itself, which failed to place any machinery in our parliamentary system at this time by which members could get the actual facts with reference to our war effort.

The other day sitting in his seat in the house the Minister of Justice said, across the floor of the house, that it was the opposition that needed strengthening. That may or may not be true. The fact of the matter remains that the opposition cannot do the job which under our parliamentary system it is supposed to do if it has not access to the facts. Until the minister gave his statement the other day it is doubtful whether out of the 244 men and one lady in the house there were more than twenty who knew anything about the exact state of aircraft production in Canada. In fact I doubt whether there are many who know a great deal more about it even now, after the statement.

When I listened to the minister's speech the other day my mind went back to some of the debates which took place two years ago in the British House of Commons. I recalled some of the speeches made by Sir Kingsley Wood, who was then in charge of aircraft production, by Mr. Churchill, by Mr. Amery, by Sir Roger Keyes and by Mr. Greenwood. Some of the statements made the other day by the minister were reminiscent of statements made on those occasions. People who questioned, people who queried, people who criticized two years ago in England were being accused of undermining public confidence.

I submit to the minister that abuse does not dispel criticism. Accusing one member of "groping in the sewer", another member of "getting his information by devious methods", and calling, "sabotage, sabotage!" will not answer the things hon. members want to know. I suggest further that to end every discussion of a contract by saying that it is "up to schedule" is not sufficient. That was what happened all through 1939 in Great Britain. What does "up to schedule" mean? It may mean nothing. It may refer to a pre-war schedule. It may be a schedule drawn up prior to the collapse of France. Unless we know what the schedule is, unless we have some information concerning it, to say that it is up to schedule has no meaning at all. It means nothing until we know who set the schedule, when it was set and what it

calls for. I suggest that first of all the minister ought to admit at least to himself that there is widespread misgiving in Canada with respect to the effective production of aircraft. Whether or not it is justified, let us first of all realize that that widespread misgiving does exist. Let us admit that it is true.

We cannot expect anything else, because we must remember that there are men working in those factories who have contact with people outside. People engaged in those industries are people who know at least something about the matter. The minister may refer to street rumours, or anything he likes, but the fact remains that that feeling persists. It could not help persisting when we consider that the Minister of National Defence for Air is quoted as having said in Montreal:

"Unfortunately I do not know why it has not been possible to produce these planes on schedule, and I am not in a position to judge the delay" he said. But one exasperated officer had told him the other day, "There are some manufacturers who are either damn fools or damn liars."

When statements like that, and others one might quote, come out, it is understandable that the man on the street may have misgivings. I want to suggest to the minister, too, that the people who are concerned about this matter are not people who are seeking to destroy Canada; they are people who are seeking to save Canada. I wish the minister would give close attention to that fact.

The other day the minister spoke about his duty. I believe he has as conscientious a sense of duty as any hon. member in the house. But we, too, as members of the House of Commons, have a duty to perform. We have a duty to the taxpayers, the people who before this war is over will have to shoulder the tremendous burden of taxation to finance the war. We as their representatives have a responsibility to them.

This morning I received a letter from a returned soldier who is in receipt of a pension of $15.20 a month. He tells me he proposes to put $5 a month of it into the purchase of war savings stamps. Am I to write and suggest to that man that that is a good idea, unless at the same time I can assure him that I know every dollar he is sacrificing is being used to the best possible advantage? I cannot do that. May I remind the minister, too, that we have a responsibility to the men in the fighting services.

Most hon. members will recall the shell shortage of 1915 in Great Britain. They will remember that Mr. Lloyd George and Lord Northcliffe, who began the campaign to reveal that shell shortage, were maligned from one end of Great Britain to the other. But we know now that they were right, that there was in fact a shell shortage and that thousands of British soldiers lost their lives because of the lack of ammunition in the last war. The fact that a member, newspaper or some other organization seeks to ascertain the facts or to criticize the government is not an indication that they are lacking in patriotism. It is an indication that they are seeking to serve their country in the best way they can.

I do not think anyone in the house would for one moment argue that the production of aircraft is an easy matter. The task of production must be tremendous. Any person who over-simplifies or under-estimates the task with which the minister is faced is not being fair to the minister, to the government or to himself. What we want, first of all, is that the minister be frank with us and place before us an outline of the vast department he heads, to see if together there is not some way, through suggestions, proposals or amendments to proposals, by which the set-up can be made more efficient than it is at the present time.

Last fall I came in contact with some of the people working at the Malton plant, owned by the National Steel Car Corporation of Hamilton. They drew to my attention certain disconcerting facts, some of which I placed before the house last fall. I pointed out at that time I had been informed by men working in the plant that there had been a labour turnover of some seventy-five per cent to ninety per cent, and that in six months 900 men had quit their jobs in the plant. I pointed out that there had been some serious accidents in the plant—and there have been accidents since that time. I placed those facts before the house, but to the best of my knowledge nothing has been done.

Because of my interest in the matter scores of letters have come to me from people who have worked in the plant or are working there now. I made it my business to go to Toronto and talk to some of them. We have no other way of getting information. The minister may have it, but we have not. We can only place the facts before him, as we have done; that is what I want to do. For instance I am informed that the contract for Hampden bombers was given early in 1940, and my information is that up to the present only some twenty wing assemblies have been completed; that at Montreal up to two weeks before Christmas only 21 wing assemblies had been completed, and that at that time the work had to be shut down because of the lack of certain articles. Then there is the information I have with reference to the production of Avro-Anson planes. The other day the minister said the first one had been flown, but not delivered. The minister's information

may come from a most reliable source, but I am told by those who should be in a position to know that the plane to which the minister referred was an English Anson with an American engine and with Canadian engine mountings, assembled in Canada.

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

Mr. HOWE: I said that.

Mr. HANSON (York-Sunbury): I do not think you did.

Mr. HOWE: I stated that there were other components on it, and there were.

Mr. HANSON (York-Sunbury): The inference was that it was a Canadian plane, and it is not.

Mr. HOWE: I said it was a mock-up; I did not say it was a plane at all.

Mr. DOUGLAS (Weyburn): I think the impression given was altogether wrong. I read the minister's statement very carefully and the impression I got was that the first Canadian-made Anson had been flown, whereas my information is that no such thing as a Canadian-made Anson exists.

Mr. HOWE: Wholly Canadian-made, no.

Mr. DOUGLAS (Weyburn): In September, 1940, National Steel Car received a contract to manufacture certain parts of the Avro-Anson. I am told that one of their best men was asked to set up a jig, which he did in three weeks—a record time. But it has been waiting six weeks on the floor to be proved, which cannot be done because it needs certain parts which have not yet been ordered, nor has the manufacture of the tools needed for their production even been started. The information I have from some of the men who work there, or who have worked there, is that twenty-five per cent of the tools necessary for making the fuselages for the Avro-Anson were ordered three months ago and are completed; that 10 per cent are partly completed, but that tools for the greater proportion of the smaller parts are not yet even ordered.

Mr. HANSON (York-Sunbury): Who is responsible? Federal Aircraft.

Mr. DOUGLAS (Weyburn): The question naturally arises, who is responsible? Who ordered these parts? Who is responsible for seeing that different parts are ordered concurrently in order that they may be delivered more or less at the same time? There has been a lack of synchronization. As a matter of fact one man makes the statement that an order had gone out through the plant that there was no hurry on Avro-Ansons, that this machine had been pushed back on the priority list. I wonder if that is correct? If so, why? Is the Avro-Anson further back on the priority list than it was before? The contention has been made—I think the minister hinted at this the other day—that the reason for the delay in the production of Avro-Anson trainer bombers was a delay in the receipt of drawings from England.

Mr. HOWE: No.

Mr. DOUGLAS (Weyburn): That contention has certainly been made.

Mr. HANSON (York-Sunbury): Blueprints from the Department of National Defence.

Mr. DOUGLAS (Weyburn): My information is that drawings came from England to Federal Aircraft Limited last autumn, but that a complete set of Avro-Anson drawings have not been issued by Federal Aircraft. The result is that the Malton plant is still short some of the prints which it requires.

I should like to say a word about the Lysander, which is still considered one of the best army cooperation planes built. When I spoke before in the house I reminded hon. members that educational contracts had been given, the last of which were to be completed in November, 1939. But they were not completed until March, 1940. Post-educational contracts were given for 190 Lysander planes. On October 1, 1940, of the first group of 21 aircraft, twelve had been standing on the assembly floor of the manufacturer waiting for parts with which to complete them. Between October 1 and the end of the year those 12 and possibly eight others had been completed and accepted for delivery. But on January 1, 1941, that first group had not all been completed, accepted, and marked off. They were still on the shop books. The parts for the succeeding planes up to the 112th of the whole order of 190 Lysanders were either stalled or in some stage of production in the departments of the plant. During the last of January, 1941, twelve Lysanders were completed and assembled.

As evidence of the inefficiency which has marked this project I cite a group part given to me as No. 1470-1-2. This is a single part of which two are required for each Lysander plane. It is made from a standard section requiring virtually no machining. Early in October, 1940, the erection department notified the planning department that 52 of these parts would be needed to complete a group of Lysanders then fairly well advanced in the assembly line. The erection department has been waiting for these parts ever since and

the planes have been waiting for this part before they can be completed and assembled. I am told that one man could complete the whole order of 52 parts in an hour, but this whole group of Lysanders has been held up waiting for this particular part. The 12 planes which had been completed in January waited weeks for this part before they could be finally completed.

I should like to refer for a moment to the Boeing aircraft factory in Vancouver. Early in the year the Vancouver newspapers carried a story to the effect that between 150 and 200 men had been laid off. Trade union officials have told me that the parts which they had manufactured were stored in the Canadian Pacific shops and had not been shipped east because the firms in the east were not ready for them. At a time when young men were coming out of the technical schools hoping to go into the Boeing aircraft plant, between 150 and 200 men were laid off because of lack of material. This has had a serious effect upon the labour market.

Our newspapers carried an advertisement showing a picture of a young aviator, under which appeared this message, "Only you can give him wings. Buy war certificates." The Canadian people have made it possible to buy these wings; it is now the task of the Department of Munitions and Supply to give him the wings. When between 150 and 200 men are laid off in an aircraft plant at a time when we are supposed to be accelerating our war effort, it is quite apparent that there should be a serious investigation.

A word about the Fairchild aircraft plant in Montreal. In this case the trade union became so discouraged at the lack of efficient production methods that they submitted a memorandum to the Minister of Labour on February 6. This memorandum dealt with hours and wages and concluded with a paragraph which I should like to read. This trade union represents about 1,900 men of those who work in the Fairchild plant. The submission is:

> Besides all of the above, men have been known to quit because of the fact that they were forced to hang around killing time, there being no jobs for them. This condition is chronic in some departments, especially on the night shift where days are spent on jobs which would ordinarily take only hours. Men wishing to do their best in the war effort, are actually ashamed to take their wages, and the nights seem ten years long.
>
> Supervision is such that dozens of pieces are scrapping before an error is discovered. This is often blamed on the men unjustly.
>
> Such is the atmosphere of suspicion and distrust created in the minds of the employees, that production schedules must be seriously affected.
>
> The feeling of insecurity in employment consequent on the mass lay-offs which have taken place from time to time, is most demoralizing.
>
> The men are being goaded into rash actions which are becoming increasingly difficult to control.
>
> We feel that, in the interests of the country and the war effort, a thorough inquiry into the running of this plant is in order. We will be willing to cooperate in any such inquiry.

I suggest that the labouring men of this country are interested in this war effort—as much as any other group—and when they find reason to complain and to submit a memorandum such as this to the Minister of Labour, there is need for action.

I will pass on to the minister the main criticism which I hear. He is a technical man; the rest of us are not, and all we can do is report what we hear as to complaints in the industry. After all, the minister knows this industry; he is an engineer of high standing in this country. To most hon. members long lists of figures and schedules mean little, but results mean something, and all we can measure by is whether or not the figures which he reads in this chamber are followed by actual results in planes which take the air.

The main criticism I hear is that throughout the entire aircraft industry there is a lack of direct communication; that information goes, for instance, from the Department of Munitions and Supply to Federal Aircraft Limited, Montreal; from there to National Steel Car Corporation at their headquarters in Hamilton; from there to the plant at Malton; and when inquiries have to be made they go right round the circle again. It may be that we have created so many intermediary steps, so much red tape, so many cogs in the machine, that the machine is slowing down or at least it is not doing the job which it was intended to do.

I want, therefore, on behalf of the group with which I am associated, to make one or two suggestions, not only with reference to the minister's department but with regard to this whole war appropriation.

The first is that the government ought to enunciate a clear statement of war policy. It has been suggested in some places that we should have a war cabinet of a few ministers who would not be charged with administrative responsibility and who could give time to laying out a clear-cut war policy. I was hoping that during the discussion on this appropriation the Minister of National Defence would make a statement with reference to the government's whole war policy. All of us know that the Canadian people can produce only a certain amount of goods and services; somewhere there is a limit to our

productive capacity with reference to this war, and the government have to make a decision as to how that can be best divided. Is it being divided in the best way at the present time? The other day the Minister of Finance broke down this tremendous appropriation of $1,300,000,000: some $660,000,000 for the army, over $400,000,000 for the air force, and $175,000,000 or $180,000,000 for the navy. Well, is that the best division? In some quarters we are told that actually the appropriation for the army may go up to $800,000,000; for the air force, to close to $500,000,000, and for the navy, to nearly $200,000,000. Why is the division made on that particular basis? We should know. We believe, for instance, that our contribution—I am talking now not about our contribution with reference to foodstuffs but to the actual prosecution of the fighting services part in the war—should follow three lines.

First, our main contribution, as has been outlined by the Prime Minister, should be the supplying of planes and trained air personnel to Great Britain. We have understood that that was the cornerstone of the government's war policy. Yet from all we can gather, almost twice as much will be spent on the army as on the air force. Has there been a change of policy? If so, there should be some statement of the government's war policy. If our main contribution is to be aeroplanes and trained air personnel, why is not the vote for that particular department larger than it is, rather than the increase shown in some of the other departments?

In the second place, we believe that the army's contribution should be divided two ways: the training of a highly mechanized and highly skilled expeditionary force, and the training of militia for the defence of Canada. Personally I should like to know from the Minister of National Defence, at some stage in the discussion of these appropriations, whether he believes that the tremendous amount of money now being spent in the training of men who are not attested, who will not be sent overseas, who in many cases could not be sent overseas, would not be better expended either in training the expeditionary force, in building planes, or in training air personnel. We have a right to know why the government has divided this appropriation in the way it has done. What is the policy back of it?

The third aspect of war policy relates to the navy. I mention it as such because what we require in Canada is a navy capable of patrolling the coasts of Canada and protecting us against occasional raiders.

That is a summary of the war policy which we believe should be followed.

[Mr. T. C. Douglas.]

The second suggestion that we want to make is that the Department of Munitions and Supply might with advantage be divided into two parts, as I suggested in this house last year; that a department of aircraft production should be set up; that the department now has become large and unwieldy; that if, as has been said repeatedly in this chamber by members of the cabinet, our primary contribution is to be the production of planes and the training of air personnel, it merits the setting up of a separate department to take care of that particular activity.

The third thing we suggest is that industry be mobilized so as to increase the efficiency of our production of war materials. Under the National Resources Mobilization Act the government has the power to mobilize industry. I do not know whether they consider they have done so; certainly we do not. We maintain that, for instance, each industry should be developed on a unit basis; that the aircraft industry ought to be a unit directed by a minister of aircraft production and his officials, every firm to be merely a part of that unit; and that where it is necessary to take over a plant, or where the government has spent the money to build a plant, it should call upon the required personnel to produce the planes in that plant either on a management fee or some other basis; but that the entire production of war material in Canada should be organized on a unit basis, with industry conscripted or mobilized around the particular article which they are producing.

A while ago the minister was speaking here of the subcontractors of Federal Aircraft. There is no reason why the minister or his department for the production of aircraft, taking Federal Aircraft and the work it is doing immediately under his department, could not deal direct with each one of these subcontractors and organize them into a unit. The principle applies not only to that industry; other industrialists and technicians should be mobilized into industry. I confess that I have been troubled to read in the press from time to time in the last few months of so-called dollar-a-year men who had left the departments because of the pressure of their own business. It has happened in a number of cases. There was Mr. Duncan, the former master-general of the ordnance, and Mr. Campbell. At least half a dozen have left Ottawa in the past six to eight months. There may have been other reasons, but the reason given was pressure of their own business. Personally I do not like that. If there were other reasons they should have been stated. If these gentlemen were not efficient and were not doing their job as they should have been, that is all right. But if the reason given

is pressure of their own business, demanding that they leave the government's service and go back to their own business, that is not good enough.

Mr. RALSTON: I do not know what my hon. friend means. He referred to the master-general of the ordnance, and I wish to take issue with him if he reflects upon Mr. Chester. I do not know what he means by "not being good enough."

Mr. DOUGLAS (Weyburn): I mean that the explanation is not good enough. It does not satisfactorily inform us why a man should leave the service of the country at this critical time. I am not casting reflections on any one. Just a few weeks ago a young man, a sergeant in one of the units, was given an opportunity to go to England with a draft that was going to reinforce one of the regiments now in the old country. That young man had a business. I went with him on the day that he went down and turned the key in his door and said that business would have to wait for the duration. If he can afford to do that, so can others.

Mr. GOLDING: What was his business?

Mr. DOUGLAS (Weyburn): He runs a store, which is as important to him as the business of an executive is to that executive.

Mr. GOLDING: It may not be as important as Mr. Duncan's business.

Mr. DOUGLAS (Weyburn): At the present time nothing can be more important to Canada and Canada's war effort than the production of necessary supplies whereby men in the fighting forces are enabled to carry on the war successfully, and if there is sufficient need for these men to be here, and if they were doing a good job, there is no reason why they should leave.

Mr. RALSTON: What my hon. friend has said rather confirms the impression I received that he was making a reflection upon these gentlemen. Mr. Chester came at my earnest request in order that he might give his organizing ability to the reorganization of the department of the master-general of the ordnance. He came, as announced in the newspapers at the time, for a limited period, with the consent of the directors of Hudson's Bay company, who could not spare him indefinitely owing to the fact that their president in London, Mr. Ashley Cooper, is himself engaged in connection with war work there, and Mr. Chester had to take on an added load in the business. He came on that understanding, and I gave him my undertaking that I would make provision for him to return. He stayed a month longer than was expected. He is engaged in work in connection with war activities, besides running his business and providing employment and supplies. I say to my hon. friend that it does not lie in the mouth of anyone to suggest that this gentleman is not doing his duty or that he should stay here indefinitely when, as a matter of conscience, and having regard to his duty elsewhere, he feels it incumbent upon him to return to his work after having done a fine job for us. He fulfilled more than the contract he made with the country and he and his company have more than done their share in connection with our war effort.

The Minister of National Defence for Air is not here, but I was present when the arrangement was made with Mr. Duncan, and if I remember rightly, Mr. Duncan was to come for three months. I believe he stayed for eight or nine months, and everyone knows that he stayed at a time when the president of his company, Mr. T. A. Russell, was very ill. But Mr. Russell, with his well known tenacity and indomitable spirit, endeavoured to carry on until death overtook him and Mr. Duncan had to go back. That company is engaged in the extensive production of war materials for the country. Tribute has been paid to the magnificent contribution of Mr. Duncan and the company to the war effort, and my hon. friend therefore is not justified in anything that carries the slightest reflection upon him because he is not staying for the duration of the war.

Mr. HOWE: Perhaps I should speak with regard to Mr. Campbell's position. Mr. Campbell came to Ottawa as chairman of the war purchasing board and he remained throughout the duration of that board. The government had made preparations for eventually turning the war purchasing board into a department of government and Mr. Campbell was invited to take a position in the Department of Munitions and Supply. He stated at the time that his work at the Ford plant had expanded so rapidly and that company had taken on such heavy commitments that he felt he could render a better service to the country by going back to Windsor in order to look after the organization of his own company than he could by remaining with the department of munitions. I do not see in that anything that reflects upon him, nor is there any reflection upon the department.

Mr. DOUGLAS (Weyburn): There is no intention on my part to reflect upon anyone, but I do say that it is a question not where a man's personal inclination lies but where he can render the greatest service to the country.

If, as the minister has stated, this gentleman's own firm is engaged in war industry which is more essential than the work he was doing here, then of course it is the minister's duty to see that he goes back to the work that he can do best. But if a man is valuable enough to be brought here and his services are worth while, he ought to be retained, if possible, irrespective of his own convenience. If his departure is due to public reasons, if he can render better service elsewhere, that is a different matter. But I would point out that men do not go into the army and then decide after a while that they will go back home because the store is losing money. That is not allowed in the army and we cannot allow it to happen with any other class. The technical and executive brains of the country ought to be mobilized the same as industry and man-power.

Mr. MacNICOL: The hon. member has used the word "mobilize" frequently. May I ask him how he would mobilize all industries that have contracts to make component parts for planes? I know many industries that are making a hundred different things while they are engaged at the same time in the manufacture of parts for aeroplanes. I have no doubt that the vast majority of small parts entering into the manufacture of planes are made by companies that are engaged in the manufacture of different lines. How would the hon. gentleman mobilize each company? Firms are making large quantities of tubing, and their production in plane tubing is but a fraction of their total output, so that if they were to be mobilized for the production of this particular article they would be closed down five days out of six.

Mr. DOUGLAS (Weyburn): I am not suggesting that the idea be carried to an absurdity. I do not say that you should mobilize every firm that has anything to do with the production of a single article, but a single industry should become a unit. Every factory that could make any contribution to that unit would be part of the unit. Some factories would be giving their entire productive capacity. Others, such as those my hon. friend has mentioned, would probably devote only a small part of their time to particular work, and in that event you would let out contracts or require a part of their space and of their personnel. But the difficulty has not lain with the man producing some small amount or relatively unimportant part of aircraft production. Apparently the difficulty has lain with the organization of those producing the major things that go into aircraft production.

[Mr. T. C. Douglas.]

Mr. ILSLEY: In the sense in which the hon. member has used the word "mobilization," is there not mobilization of industry now, for example, the motor vehicle industry? Is that not completely mobilized in the sense in which the hon. gentleman has used the term?

Mr. DOUGLAS (Weyburn): No, I would not say so. Certainly the aircraft industry has shown that it is anything but mobilized: different plants in different parts of Canada manufacturing various parts, some waiting for others, some held up because a certain part has not been ordered, or tools for the production have not been begun. There was evidently a lack of mobilization of all organizations.

All I want to say to the minister is that I hope the discussion which has taken place and the criticism carried on in the press for the past few months will not be taken as any personal attack upon him, that it will not be a matter for resentment, but rather that it will cause the government to pause and consider again the setting up of some machinery whereby hon. members may be made acquainted with the actual facts. We are not getting the facts; the minister is not in a position to give us the facts in a public session like this. It is only two years ago that the son-in-law of Winston Churchill, now Prime Minister of Great Britain, was threatened with prosecution under the Official Secrets Act because in the British House of Commons he dared to present data which showed that the aircraft industry in Britain was not as it was being represented to be by the Minister for Aircraft Production at that time, Sir Kingsley Wood. We do not want a situation like that in this country, but we may have it; hon. members will not be still forever, the public will not, the press will not. We wish to be able to go back to our constituents and tell them the actual situation. For example, we are asked by the Minister of Finance to go out and appeal to people to buy war savings certificates. Most of us have done this, but we can do it only if we can do it with a clear conscience and are able to say that from information given us confidentially we can assure them that every possible effort is being mobilized for the efficient prosecution of this war.

To the Minister of Munitions and Supply all I want to say is that the saboteurs in this country are not the people who are inquiring for facts and data of aircraft production. The saboteurs here as in any other country are the people who are saying that all is well when all is not well. The real saboteurs are the people who try to lull the

country into a false sense of security. All I am asking the minister and the government to do is to set their house in order before it is too late.

Mr. HOWE: I have listened with a great deal of interest to the speech of the hon. member for Weyburn. I think he again misinterpreted my remarks of yesterday. I was not bitter against the people who want to know; I was bitter against the people who without knowledge make statements that undermine public confidence; all the difference in the world. There is no statement about aircraft production that I am not prepared to make to this committee. I told the committee that; I said I had a confidential report and would lay it on the table, and I do not know any question that can be asked about the aircraft industry in Canada to-day that I am not prepared to answer.

The criticism to-day arises largely from the fact that in the past I have been giving data on aircraft production, perhaps looking further ahead than I should have looked if I had had a more realistic view of what Canadian industry could produce. My hon. friend the leader of the opposition rather chided me for saying on July 10 or 12 that we would be producing a certain number of aircraft a month early this year. On what did I base that statement? I based it on what at that time we planned to produce. We had made a very careful study of the industry; we had gone to see all the plants and said, "What do you need to carry out this programme?" They said, "We need so much floor space." We said, "Very well, we shall have that checked up, and if that appears to be necessary for that production, we will arrange for financial assistance to provide it." We were working then on a campaign which we thought would produce planes at the rate mentioned by the leader of the opposition, I think 360 planes a month. That was all arranged. As I have repeatedly said, the difficulty has been that our plants have not been standing up to their estimated production. For example, we estimated that Fairchild would be producing 30 Bolingbroke bombers a month early this year. I had in mind perhaps March. They are not producing anything like that.

Mr. DOUGLAS (Weyburn): What is the reason, lack of material?

Mr. HOWE: It is just lack of ability to produce, as far as I can see. We have had experts there, the best we can get, and they all say they should do better, and they will do better next month. If it were an industry that had been producing for years—but this is a mushroom industry, we have no background on this industry.

Mr. CASTLEDEN: How about Malton?

Mr. HOWE: They have had all the orders they can fill since this war started. We have had experts there to find out why they are not turning out more planes. They are making a great number of components and some day the planes will come out fast.

Mr. COLDWELL: Does the minister not think that the big labour turnover in Malton is a factor?

Mr. HOWE: Certainly it is. It is a reflection on something.

Mr. COLDWELL: Can the minister tell us why there is such a large turnover?

Mr. HOWE: I cannot. We have been trying without success to find out the reason. In 1936, there was practically no aeroplane industry in Canada; I suppose it was employing less than one thousand men; to-day it is employing twenty thousand.

Mr. MacINNIS: Did the minister approach the employees at Malton to try to get their point of view?

Mr. HOWE: No, I have enough trouble approaching the management.

Mr. MacINNIS: They are an important factor in the industry.

Mr. MacNICOL: Is Federal Aircraft a small plant or a large plant? How many are engaged in it, and where is the plant?

Mr. HOWE: It is a very small operation on Delorimier avenue in Montreal; I suppose they have at the most 250 employees. It is largely a pilot plant; as they design anything they go and build it. It is a check plant for the design, and it has been represented to me that as such it is well worth while. It is carrying out a small manufacturing operation which will be useful in the entire programme; it is a small shop for fuselages and certain parts.

My hon. friend mentioned certain things that I can explain at once. He mentioned that the Boeing plant in Vancouver had to stop manufacturing wings. The reason was, in the original arrangement for the air training plan, Britain was to supply Anson planes less wings, the wings to be built and installed in Canada. We arranged accordingly with the Boeing plant in Vancouver to build the wings. When Britain stopped shipping Anson planes to Canada, there was no place to use the

wings and they piled up to such an extent that Boeing had to lay off men and stop the manufacture of wings.

Mr. HANSON (York-Sunbury): They are there yet.

Mr. HOWE: They are there yet. That is a war situation that one cannot control. Here is an arrangement that was perfectly clear at the time; circumstances made it impossible for Britain to ship Ansons, with or without wings, therefore Ansons did not come, therefore the wings were not used. I mention that just because my hon. friend mentioned it. That was a circumstance beyond the control of anyone.

Mr. MacNICOL: Is not the bottle-neck completely connected with the design of the engine, and the fact that up to the present an engine satisfactory in all particulars to all the engineers who have to pass upon it has not been developed? Should the engine not be completed first?

Mr. HOWE: Is my hon. friend referring to the engine for the Anson?

Mr. MacNICOL: Everything pertaining to the engine.

Mr. HOWE: We developed an American type engine to fit a British type plane. Of course everything about the engine is different from the British engine; all the engine fittings are different. I think that is only one of a number of things that had to be redesigned in adapting the British Anson for construction in Canada. I doubt if there is a single part of the plane exactly the same in the Canadian version as in the British version, unless possibly it is the wing.

Mr. HANSON (York-Sunbury): The minister was, I think, going to tell about the experience with Canadian Car when somebody interrupted.

Mr. HOWE: I was using that just as an illustration, because that is perhaps the most successful show in Canada to-day; certainly it is the largest. We expected and the company expected a production of thirty planes a week there by this time. Actually they have a production of fifteen. We consider that very good, and it is very good, but it is only half what they expected to have. I think this is about the best operation we have, with about five thousand men employed there, but this shows what can happen even in a well managed plant.

Mr. BRUCE: Is that at Malton?

Mr. HOWE: No; at Fort William.

[Mr. Howe.]

Mr. MacNICOL: Is the pilot plant for the plane not made by that company at Fort William?

Mr. HOWE: No, I do not think so. There is one plant there, a very good plant. The success at Fort William, of course, has been brought about because of the high type of people they have had to deal with in that locality and the great ability the workmen in that district have shown. Even with that advantage, however, they have been able to get up to only half their schedule.

Mr. HANSON (York-Sunbury): I heard there were German saboteurs in that plant, but I did not pay any attention to that.

Mr. HOWE: Oh, no; not at the head of the lakes. I make this statement simply in order to indicate some of the difficulties that have arisen. If I were asked the number of planes we hope to get by next July, I would attempt to give a forecast, but I would assume that any such forecast would be taken by hon. members as my best view of the subject at the present time. I would not expect that they would come along a year later and say, "You told us in July, 1936, that in March, 1937, we were going to have so many planes and we got only half that number." That is the difficulty in working with an industry that has no background. I could predict very closely in connection with the motor car industry, because I know and the operators of the plants know what they can do. The same is true in connection with the steel industry or any other industry that has been going a long time and has a background. We know from what they have done in the past that, given certain facilities, they can do certain things in the future and by a certain time, but that is not possible in connection with the aircraft industry.

I do not want to hold back anything with regard to the aircraft industry. If my hon. friend is worrying about facts, I will give them to him as best I can; or if I cannot do that offhand, I will get the information. I am not holding back anything, nor do I desire to hold back anything. There is nothing I could give in a secret session that I am not prepared to give in open session, so far as the aircraft industry goes. That does not apply, however, to other types of production, in connection with which the British government has placed us under the seal of secrecy.

Mr. HANSON (York-Sunbury): That is in connection with guns. Nobody is asking for that information, nor do I think we should ask for it.

Mr. HOWE: That is quite right. I do not, however, wish to be represented as holding back information that may be helpful to the committee or to hon. members.

Mr. BLACK (Cumberland): What number constitutes the present programme for the re-engineered Anson machine?

Mr. HOWE: I gave Mr. MacMillan's view on that in the report which he made following a very recent study, in which he had the benefit of the best technical advice he could find in Canada and the United States. I would prefer to leave it at that. I do not remember the figures, but the report is in *Votes and Proceedings*.

Mr. BLACK (Cumberland): But I presume the department would set an objective, that they would want a thousand or five thousand Anson machines. The other day I understood the minister to say that six thousand of these Jacobs engines had been ordered for Anson machines.

Mr. HOWE: No; I said that something over five thousand Jacobs engines had been ordered, and we are using them not only in the Anson but also in the Fleet 60 and the Cessena.

Mr. BLACK (Cumberland): Then the minister does not care to say just what the Anson expectations are at the present time?

Mr. HOWE: It is all on page 7 of *Votes and Proceedings*.

Mr. DOUGLAS (Weyburn): Before the minister goes on to another point, may I say to him that we are not asking him to make a forecast. I do not think such forecasts have a great deal of value. We wish to know what steps are being taken to deal with a situation which the minister admits is bad; what is being done to deal with the inefficiency, the lack of coordination, the poor management in certain instances. Are any steps being taken at all? Have we any reason to believe the condition will be better six months from now than it is to-day? Forecasts are not worth a great deal, but is any investigation being carried on to find the reason for the present situation, to remedy it and to accelerate production? That is what we had in mind.

Mr. HOWE: We are carrying on intensive investigations, and we have succeeded in bringing in some men with wide manufacturing experience. It is very difficult to get them, because the aeroplane industry everywhere in the world is expanding as quickly as it is in Canada, if not more quickly. It is difficult to get these men, but we have succeeded in getting two or three who already have been able to make quite a contribution and will continue to do so. Similarly, the manufacturers themselves are gaining experience from day to day. Gradually, the situation is getting less chaotic and more systematized. In the beginning it was difficult to give orders for months ahead. Now we have practically the entire industry on the basis of twelve months ahead. The industry knows exactly what it will be called upon to do for the next year, and it is getting in shape. I think three months from now, we shall have a different looking industry from the one we have to-day, but I can only say that it is improving steadily. The other day I told the press that I thought the industry was about three months behind its expectations, and I still think that is a fair statement. In other words, what we expected to have to-day we shall probably have about three months from now. As I say, everything possible is being done to get the industry on a better organized and more efficient basis, and I think every contractor is working as hard as we are to that end.

Mr. DOUGLAS (Weyburn): May I suggest one thing which I do not think is being done and which I believe ought to be done. In Great Britain, production speeded up the moment it was possible to get labour behind the war effort on an organized basis. Some similar attempt has been made in this country by the setting up of a labour supply committee, but not on anything like the same scale. Some of these firms that are working on government orders actually have refused to allow the men to organize. I have here a copy of a notice which was posted in one plant, stating that they did not want these men organizing, and that they would consider any man who tried to organize them or connect them up with any trade union as being subversive.

Mr. HOWE: May I ask my hon. friend if that is not illegal? He knows the law better than I do.

Mr. DOUGLAS (Weyburn): It may be illegal, but I suggest that it is being done.

Mr. HOWE: Then why not prosecute?

Mr. HANSON (York-Sunbury): I would suggest to the minister that there is something in this suggestion, and further I give him the name of a plant: Canadian Vickers. If he will send his public relations men, or whoever may be the proper people, to get in touch with the men in that plant, they will find that there is among the workers in Canadian Vickers a lack of morale which ought not to exist. This is due to the fact that the

men believe the pay is too low, and the company will not cooperate with the men. That is the information I have from inside that plant. I do not vouch for it, but I offer it in good faith and suggest that it be the basis of an investigation.

Mr. HOWE: I would be very glad to have that situation looked into, and I will do so to-morrow. The suggestion has been made—and it is a fair one—that the work of the Department of Munitions and Supply should be divided. There are two sides to that question. In England there are three departments purchasing supplies. The navy department purchases its requirements. The Department of Supplies purchases the requirements of the army, and the Department of Aircraft Production purchases for the air force. I have yet to find—and my colleague the Minister of National Defence (Mr. Ralston) may have a view in the matter—any great enthusiasm for dividing purchasing in that way.

As a matter of fact, I saw a cartoon by Low which appeared in Lord Beaverbrook's own paper. It showed Lord Beaverbrook and his three busy bees. They were crouched in an alley, while three very respectable gentlemen, Mr. Alexander of the navy, Sir Alexander Duncan of the supply board, and Mr. Bevin were approaching along the main street. Lord Beaverbrook has a blackjack in one hand and a revolver in the other, and a fiendish light in his eye. Apparently Beaverbrook and his gang were to take what supplies the respectable ministers had with them. This cartoon was obviously intended to illustrate the subject of common gossip in England.

The trouble is that with three departments in the same market there is bound to be competition among the three. The navy may place an order in one plant. Then the supply department may come along and think that it requires the capacity of that plant to produce for the army, and as a result may give it too large an order. Then the aircraft branch comes along and gives orders for aircraft parts, on top of all this. There you have a company that is overloaded, and will disappoint someone—and probably all three. That is the difficulty.

In the United States there are two purchasing departments. The army buys for the army. In connection with the army there is an aircraft section which buys aircraft for the army. The navy does its own buying, and buys aircraft for the navy. Then, the president has set up a coordinating committee, and that coordinating committee is attempting to set up an overriding organization which will coordinate the purchases of both. I was told in England, however, and I have been told repeatedly in the United States, that we are fortunate in Canada to have a single buying authority for all military needs.

Mr. HANSON (York-Sunbury): I think the principle is sound, and I am bound to say that to the minister.

Mr. HOWE: That, I think, is obvious. It is better to have a single buying agency. Whether or not the work is too heavy, I do not know. I always regard it as a challenge, not to my industry but to my organizing ability. I do very little work round the department, I may say. If anyone comes to me and wants an order for something I simply say, "I do not place orders. I am not the man who places orders. Go to see So-and-so, who is handling the matter." If it is a general purchasing matter I would send him to Mr. Malkin's department; if it were a matter of purchasing munitions I would send him to Mr. Drysdale's department; or if it were an inquiry respecting the purchase of guns I would send him to Mr. Carmichael. The work is departmentalized, and as a department grows top-heavy we subdivide, and may subdivide it again. That is a process of organization.

Whether two ministers could organize better than one, or whether three ministers might do better than one, I do not know. That, too, I believe is a question which has two sides to it. I am not taking either side. I took the department as it was organized by parliament. If parliament, the Prime Minister, or anyone else wishes to subdivide it and give me part of it, then that will be all right with me. Or, much better, so far as I am concerned, if it were divided into three parts, and those parts were given to three other men, and I were permitted to go back to the Department of Transport, I would be the most delighted man in Canada.

However, we have that problem. But because it is a large problem, I scarcely believe it is worth while to describe myself as overloaded, overworked and so on—I believe those are the adjectives which are usually used. I doubt if that is so. I think it is possible for one man to create a big organization. There are many big organizations in the world which function efficiently. I may not be the man to do it; however I am trying to do it, and I suggest that we must be given credit for the fact that while we are a mushroom industry we have expanded very rapidly and up to this time have been able to carry on without a major scandal and without any serious break-down in the supplies which have been expected by the army, the navy and the

air force in Canada, and by those departments in Great Britain that have entrusted their business to us.

I am the last man in the world who should answer the argument my hon. friend has made with regard to dividing the work. I do not think it is a good thing to do; but if others believe it is, I certainly will not stand in their way.

Mr. DIEFENBAKER: I believe the discussion we have heard during the past couple of days with regard to aircraft has been most interesting and illuminating. After recovering from some of the annoyances of a few days ago, the discussion to-day has been carried on in a manner that must have been helpful to the minister, and has been revealing to us.

The minister has frankly admitted that the promises made in July last, and the anticipated deliveries then expected, as well as the promises made in November and December, have not resulted in the fulfilment of his expectations. Various suggestions have been made, and one of them is that, realizing as we all do the tremendous responsibilities on the minister, and without any suggestion or any inference against him, the department should be divided, with a view to securing the fulfilment of expectations with regard to the numbers of planes to be delivered.

We have endeavoured to secure information and, speaking on behalf of the official opposition, we should like to have tabled before parliament the entire report made by Mr. H. R. MacMillan, except such matters as would in any way be of assistance to the enemy.

Mr. HOWE: It is in to-day's *Votes and Proceedings.*

Mr. DIEFENBAKER: While a portion of it is in to-day's *Votes and Proceedings,* there remains another portion which does not appear. I realize it is difficult to decide what parts would or would not be beneficial to the enemy. The minister has told us that in so far as the production of aeroplanes is concerned, industry has fallen down. He has said that it is a mushroom industry and that apparently it lacks coordination. He mentioned in particular the situation in so far as the Boeing aircraft company is concerned.

I have a suggestion to make at this time, arising out of the statement with regard to the division of responsibility in the United Kingdom. I suggest that, with a view to preventing the possibility of failures such as have occurred in the last six months in the matter of aircraft production, we have set up at this time a committee composed of representatives of the aircraft industry in Canada, and that we get in touch with the Right Hon. R. B. Bennett, acquainted as he is with requirements in Great Britain, and experienced as he must be in consequence of the assistance he has given Lord Beaverbrook, and have him come to Canada and head a committee or, if you like, a commission, to investigate the whole situation with regard to the failure of our aircraft production, to the end that further failures will not have to be admitted in this chamber.

So far as the official opposition is concerned, our attitude is not one of offering unfair criticism. We believe that as an opposition we have the right and the duty to place before parliament and Canada the facts in connection with what we believe is not being done in the interests of this country. Apathetic acceptance of conditions will not win this war. The minister has said that we have not been able to live up to our expectations, that things have not turned out as we expected they would. That is not good enough. To-day we must have planes, not promises. We must have planes, not plans for the future. We must have action from this department and not just adjectives describing the perfection of the performance.

Our position is similar to that adopted in Great Britain in 1915 and 1916. The other day the minister spoke in critical terms of the *Financial Post* and referred to that paper as a saboteur. Twenty-five years ago I heard from the gallery of the British House of Commons the same criticism levelled against the London *Times.* At that time it was taking an attitude similar to that taken by the financial and other papers of Canada to-day. Our newspapers are asking for action instead of promises and excuses. As the hon. member for Weyburn (Mr. Douglas) stated a little while ago, Lord Northcliffe was maligned, condemned and pointed out as a traitor because he condemned what he believed was wrong, because he insisted upon action.

We, as the official opposition, represent a large portion of public opinion in this dominion. We represent the majority of the men who are in the armed forces of this country. We owe a duty to those whom we represent to place before parliament the viewpoints that we wish to express. I do not believe in criticism just for the sake of criticism, especially at this time of national need. I am not, nor are the members of this group, concerned with political platforms. The attitude of the Conservative party is to endeavour to assist and cooperate with the government. We will criticize where we believe criticism is due, but we will approbate when we believe credit is due. We realize the

responsibility which rests upon the ministers of the crown. I want to assure you, Mr. Chairman, that we have a sincere desire to cooperate.

On the other hand, if we banish partisanship for the remainder of the war, we are asking that the government do the same, that there be no suggestion of partisanship in the administration of affairs connected with the war. Our attitude is not as the Minister of Munitions and Supply would have had the people of this country believe the other day. We are not criticizing or attacking him unfairly; our only desire is to see if we can be of assistance at this time. I have a number of suggestions which I should like to make in connection with certain matters and which might well be considered by the government at this time.

I realize that the minister has taken the attitude that Federal Aircraft shall not be dissolved. If Federal Aircraft is falling down, as the minister admits, if I understand him correctly; if it has failed to secure the cooperation and assistance of the other industries from which it secures its supplies, then there is something wrong, and there is some justification for the criticism which has been general throughout Canada. The minister singled out one paper, but I have before me an editorial which appeared in a paper which has consistently supported the government of the day. In reference to the failure of this government effectually to assure a proper flow of aeroplanes, the Saskatoon *Star-Phoenix* had this to say on January 29, 1941:

> It calls for complete and public enquiry into all circumstances and a direct placing of responsibility. And when responsibility has been placed it calls for penalties and assurances there will be no repetition for this affair gives a strong impression of something rather worse than incompetence and mismanagement.

That is the attitude expressed by the Saskatoon *Star-Phoenix* and many other papers throughout Canada.

Mr. HOWE: It is what one would call the long view, from Saskatoon to Montreal.

Mr. DIEFENBAKER: All across the dominion.

Mr. BLACK (Cumberland): Both Halifax papers, the *Chronicle* and the *Herald,* took the same stand. That is why the minister should have given this explanation earlier.

Progress reported.

On motion of Mr. Ralston the house adjourned at 6 p.m.

Monday, March 3, 1941.

The house met at three o'clock.

PRIVILEGE—MR. COLDWELL

REFERENCE TO EDITORIAL IN OTTAWA EVENING CITIZEN OF MARCH 1

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I rise to-day on a matter of personal privilege. It is, I may say, the first time in my seventeen years of membership in various public bodies that I have ever done so.

On Saturday last, March 1, the Ottawa *Citizen* devoted most of its editorial page to explanations of its attitude and to bitter personal attacks upon me in my capacity as a member of this house.

The first paragraph to which I wish to draw attention appears in the leading editorial on page 32 of the *Evening Citizen* of March 1. It states:

> For saying that the lads after this war, when they come home from overseas, "may know better where to shoot than Canadian veterans did in the years of debt and privation after the last war," the *Citizen* has been accused in the House of Commons of inciting men in uniform when they return from overseas to use force to obtain what they were after. This twisting of the *Citizen's* editorial, done by the C.C.F. member for Rosetown-Biggar, M. J. Coldwell, led Mr. Lapointe to say last Thursday that he agreed with Mr. Coldwell. Mr. Lapointe said:
>
> My honourable friend (Mr. Coldwell) sent me that article, not very long ago. It was a subversive article which was published by the Ottawa *Citizen* on that date, and I may tell him that they will have to answer for it before the courts of the country.

Now, Mr. Speaker, I am accused of dishonesty in this house by twisting the editorial in question and thus leading the Minister of Justice (Mr. Lapointe) to say that he agreed with me. As a member of this house, as the acting house leader of this group, the accusation thus made is a grave reflection upon my personal integrity.

To say that I twisted the editorial is a charge which the editor of The *Citizen* makes falsely in an attempt to escape the consequences of his written word. If there has been any twisting, surely it has been on the part of the *Citizen,* which is trying to wriggle out of the position in which it finds itself.

The leader of the opposition (Mr. Hanson) speaking also in this house last Thursday, said:

> I read the article and I thought it was more than a borderline case; it seemed to me that it was really an incitement to force.

The leader of the opposition, therefore, placed the same interpretation upon the article as scores of *Citizen* readers also did.

The article published on January 11 was the subject of press comment in other parts of the dominion. I have, for example, an article appearing in the Saskatoon *Star-Phoenix* of February 18, commenting adversely upon it.

During all this time no explanation, modification or withdrawal of the words appeared. To my mind, no other interpretation could be placed upon an editorial, the first sentence of which was:

The real business of the Bren gun is, of course, to kill—

—and the last sentence of which was:

—When the lads come home from overseas, after some years of service at the real business end of the Bren gun, they may know better where to shoot than Canadian veterans did in the years of debt and privation after the last war.

There appeared to be no possibility of misunderstanding such plain and simple English. I therefore, Mr. Speaker, under the rules protecting members of this house against libellous accusation, bring this to your attention. I do not propose to move for the attendance of the editor of the paper in question at the bar of this house, as I am advised I have the right to do; for undoubtedly the unfounded charge of twisting the editorial in question is a false and malicious accusation of personal dishonesty which infringes upon the rights of members of parliament.

On the same page, 32, of the *Evening Citizen,* there also appears a reprint of an editorial which appeared in the *Citizen* of January 22, 1941, and which was a scurrilous attack on my personal motives in public life. Its caption is, "Mr. Coldwell in good company." This reprint was introduced with the following words:

The *Citizen's* editorial on "The Business End of the Bren" (reproduced in an adjoining column on this page) appeared originally last January 11. The Minister of Justice, Mr. Lapointe, stated in response to a speech by Mr. Coldwell, socialist leader in the house, last Thursday:

"My hon. friend (Mr. Coldwell) criticized the inaction of the department with respect to the article in the Ottawa *Citizen.* My hon. friend sent me that article, not very long ago."

"Not very long ago" would perhaps mean subsequent to the publication of the following editorial in the *Citizen* on January 22, with reference to some of Mr. Coldwell's recent political activities.

The suggestion is made that I drew the attention of the Minister of Justice to the Bren editorial of January 11, subsequent to January 22, and from motives of revenge because of the bitter personal attack made upon me by the *Citizen* on the latter date. Again they accuse me of using improperly my influence as a member of this house to seek vengeance against the writer of the editorial in question.

Had I been governed by such motives I would not have criticized the suspension of the *Canadian Tribune,* which assailed me and our movement in the very last issue which I had read prior to making my speech last Thursday. Indeed, as reference to *Hansard* will show, in drawing the *Citizen* editorial to the attention of the minister I was endeavouring to secure a change in the regulations by requesting absolute impartiality in their administration. To infer that I was actuated by motives of revenge is a scandalous breach of the privileges of this house. It is obviously false; for the editorial appeared on January 11, and I drew it to the attention of the minister by letter dated January 13—which he acknowledged personally on January 18—nine days before the *Citizen's* attack on myself, which appeared on January 22. Thus my action was entirely unconnected with the *Citizen's* attack on my personal motives and integrity.

My object in raising the matter on Thursday last was not to secure revenge, or even to force the suspension or the prosecution of the Ottawa *Citizen,* but merely to compare the seizure of a pamphlet consisting mainly of extracts from speeches made in this house by the hon. member for North Battleford, and the suspension of a paper with a small circulation, the *Canadian Tribune,* with what I considered to be the inactivity of the department in relation to statements made by a widely-read Ottawa daily. The concluding words of my speech criticizing the defence of Canada regulations in several particulars clearly defined both my purpose and intention when I said:

If we are going to have regulations let them be administered impartially, without regard to who breaks the regulations. Then we shall feel that at least an attempt at justice is being made.

In conclusion, Mr. Speaker, I am prepared, as all men in public life must be, for editorial comment and criticism by newspapers that disagree with my views. But imputing unworthy motives goes beyond fair and proper comment.

In view of the statement I have just made I would expect that the Ottawa *Citizen* will give to it the same publicity which it gave to its unwarranted insinuations last Saturday.

EXPORT OF GAME

PROHIBITION OF SHIPMENTS OUT OF PROVINCE WITHOUT PROPER PROVINCIAL AUTHORIZATION

Hon. T. A. CRERAR (Minister of Mines and Resources) moved for leave to introduce Bill No. 16, to control the export of game.

Some hon. MEMBERS: Explain.

Mr. CRERAR: The explanation of this proposed measure is quite simple. Under our constitution the provinces have control over game within their own jurisdictions but they have not control over the export of game from one province to another. Difficulties have arisen in the control within certain provinces of game, especially fur-bearing animals illegally taken within the province, that cannot be disposed of within the province but are taken to another province and disposed of there. The measure seeks to provide remedies for that condition of affairs.

The bill is the outcome of discussions, going back over several years, between provincial and federal game officers. It provides that the legislation shall be brought into effect in any province on proclamation. All the provinces with the exception of Prince Edward Island have signified their approval; indeed several of them have asked for the passage of such legislation as is proposed by the present bill. Prince Edward Island raises no objection, but the government authorities there scarcely think it is required so far as that province is concerned.

Mr. HANSON (York-Sunbury): Does the bill follow the principle of prohibition, or only supervision?

Mr. CRERAR: It really introduces the principle of prohibition so far as furs illegally taken are concerned.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN ARMY—RECRUITING, TRAINING AND COMMISSIONING OF OFFICERS

Mr. BRUCE:

1. (a) How many men have received training under the 30-day plan; (b) were the men so trained given an opportunity to enlist for overseas service; (c) how many of said trainees have volunteered for overseas service?

2. Since the announcement of policy of the Minister of National Defence, to the effect that, in future, commissioned officers would be taken from the ranks, (a) how many officers have been enlisted in the Canadian forces; (b) how many of these so enlisted have been taken from the ranks?

3. How many, (a) officers; (b) warrant officers, non-commissioned officers and other ranks were enlisted in reserve units as of February 1, 1941; (c) has an effort been made to ascertain the numbers on the strength of the reserve units (i) officers; (ii) warrant officers, non-commissioned officers and other ranks who are prepared to enlist for overseas service?

4. Have calls for reinforcements (a) officers; (b) warrant officers, non-commissioned officers and other ranks been made since December 1, 1940, upon the following reserve units: Queen's Own Rifles of Canada; Toronto Scottish Regiment; Toronto Regiment of Royal Grenadiers; the Royal Hamilton Light Infantry; Irish Regiment of Canada; (c) what were the results with respect to each of said units?

5. Will the Minister of National Defence outline the methods of recruiting, (a) active army; (b) reserve units; (c) veterans' guard?

Mr. RALSTON:

1. (a) 81,986; (b) The names of those who were willing to enlist were ascertained; (c) Number of recruits of 1st and 2nd training periods who expressed a willingness to volunteer for overseas service is 13,736. Returns covering 3rd period not as yet received. Actual enlistments from said recruits not yet known.

2. (a) 581; (b) 344. The difference is accounted for by appointments in such of the specialist services as engineers, signals, Royal Canadian Ordnance Corps, medicals, dentals and chaplain services.

3. (On strength January 31, 1941): (a) 7,881; (b) 183,015; (c) yes.

4. Toronto Scottish Regiment; (a) Yes; (b) No; (c) All calls have been met.

Royal Regiment of Canada, previously designated the Royal Regiment of Toronto Grenadiers.

(a) Yes.
(b) No.
(c) All calls have been met.

Queens Own Rifles of Canada
Royal Hamilton Light Infantry
Irish Regiment of Canada.

(a) No.
(b) No.
(c) See answer to (a) and (b) next above.

5. Active Army

When a complete unit is required, an active unit is authorized to be mobilized from a suitable existing reserve unit, and the mobilized active unit will consist of those who volunteer and are accepted for service in active formations and units of the Canadian army, which includes service in and beyond Canada. Reinforcements for units of the active army are generally secured by a call on their counterparts, when there are such, in the reserve army. If not sufficient are secured, or when reinforcements are required for units which have no such counterpart, quotas are allotted to districts which call upon reserve units in the districts to supply this personnel. Should these reserve units not be able to supply sufficient personnel in time, the personnel is drawn from those not in reserve units who offer their services, and these are recruited through the district depots.

At times it is necessary to mobilize a special type of unit for which there is no counterpart in the reserve army and in such cases

the district which contains the particular type of personnel required is authorized to raise the necessary numbers.

In addition, recruiting of specialists and tradesmen is continuous, as generally there are vacancies for these in technical units. These, also, are obtained through the district depots.

Reserve Army

Units in the reserve army recruit the necessary personnel up to the authorized establishment by enlisting applicants with the necessary qualifications at their orderly rooms in various armouries throughout the country.

Veterans' Guard

There are two kinds of veterans' companies: (a) Active; (b) Reserve.

The Officers Commanding the active companies throughout the country recruit qualified veterans up to their various establishments.

The method of recruiting for the reserve veterans' guard is similar to that of the reserve army.

CANADIAN NATIONAL RAILWAYS—MONTREAL TERMINAL

Mr. JACKMAN:

1. What was the total cost of work done on the C.N.R. Montreal terminal during: (a) the three months' period ending March 31, 1940; (b) the three months' period ending June 30, 1940; (c) the three months' period ending September 30, 1940; (d) the three months' period ending December 31, 1940; (e) the one month period ending January 31, 1941?

2. Of the above amounts, how much was paid during each period for steel and other materials imported from the United States?

3. If work has ceased on the Montreal terminal will it be resumed during the war?

Mr. HOWE:

1. Work on the C.N.R. Montreal terminals was resumed in 1939 under a modified programme designed to meet the immediate requirements of the railway. Detailed information as to work performed during the last calendar year, and cumulative expenditures to December 31, 1940, will be tabled in parliament shortly, as required by the Canadian National Railway Montreal Terminals Act of 1929.

2. Due to the fact that the bulk of the work is being carried out under contract, the prices covering not only materials, but manufacture, fabrication and erection on the sites, the railway is not in possession of information as to amounts paid for steel and other materials imported from the United States.

3. Construction on this project has not been suspended.

DEBERT, N.S., AIRPORT

Mr. BLACK (Cumberland):

How many tons of coal have been purchased for use at the Debert airport and military camp, stating the quantity, price per ton delivered and grades, the total amounts paid or payable to each person or firm supplying such coal with unit prices delivered; also total cost of all coal so purchased?

Mr. HOWE:

Purchases of Coal—Debert Military Camp

Purchased by—Contractor	Grades	Total
Munitions and Supply, local pur. agent— Wilson Coal Co., Truro, N.S.	No. 5 shaft, bit. screened (bagged); Inverness, bit. screened (loose); Springhill, bit. screened (bagged and loose); Bit. screened coal (bagged); Coal, bit. screened; Bayview bit. screened; Bras D'Or bit. screened; Springhill screened (bagged)	$ 9,832 10
Munitions and Supply, local pur. agent— Crystal Spring Ltd., Truro, N.S.	Drummond bit. screened	225 00
Munitions and Supply, local pur. agent— S. Cunard & Co. Ltd., Halifax, N.S.	Springhill screened	3 15
Munitions and Supply, Ottawa— W. G. Rockwell, Truro, N.S.	Dominion 1¼ lump; Bras D'Or mine run	74,013 45
Munitions and Supply, Ottawa and local purchasing agent— Wilson Coal Co., Truro, N.S.	Acadia slack; Milford (Pictou) bit. egg; Milford bit. egg; coke	4,598 50
Total tonnage for military camp		8,824½ tons
Total tonnage for airport		640 tons
Total amount paid for coal, delivered, military camp		$ 84,073 70
Total amount paid for coal, delivered, airport		4,598 50

Re unit prices, please see minister's statement on page 461 of *Hansard*.

NATIONAL REGISTRATION—PROSECUTIONS AND PENALTIES

Mr. DIEFENBAKER:

1. How many prosecutions have taken place for failure to register under the national registration scheme?

2. In how many cases have the penalties imposed on conviction been remitted?

Mr. GARDINER:

1. 177 prosecutions conducted by the Royal Canadian Mounted Police in the provinces which are policed by them; no information with respect to prosecutions in provinces which maintain their own police forces.

2. Two of the above cases.

FOREIGN EXCHANGE CONTROL—JAPAN

Mr. REID:

1. Have any restrictions or regulations been put into effect by the foreign exchange control board in connection with Canadian funds or money to Japan, similar to that in effect to other countries?

2. If so, when were any such restrictions or regulations put into effect?

3. From January 1, 1940, and up to the time any such regulations or restrictions were made effective, what amounts of Canadian funds, moneys or credits were exchanged, bought or transferred into or for transference to Japan?

4. Have any requests been made since the regulations (if any), were made effective for the transference of credits, funds or moneys to Japan?

5. If so, (a) how many of such requests; (b) what number of these were granted; (c) the total value of the requests so granted or allowed; (d) the reasons given for the requests made?

Mr. ILSLEY:

1. The foreign exchange control order and the regulations of the foreign exchange control board apply to remittances to Japan in the same manner as remittances to other countries. With the exception of countries in the sterling area and countries of continental Europe, remittances to all foreign countries are on the same basis.

2. The foreign exchange control order came into effect on September 16, 1939. Since then there have been some amendments to the order and various regulations of the board but none of these refer specifically to Japan as distinct from other countries.

3. Answered by Nos 1 and 2.

4. Requests have been made by residents of Canada to make remittances to Japan from time to time since the inauguration of foreign exchange control in the same manner as requests have been made for remittances to other foreign countries.

5. With respect to (a), (b) and (c), no figures are available. With respect to (d), the reasons given for the requests are the usual ones, e.g., payment for imports, payment for services, remittance of interest and dividends, etc.

PURCHASE OF MOTOR VESSEL "TERRUS"

Mr. HAZEN:

1. From whom did the government purchase the motor vessel *Terrus* which was registered at the port of Saint John on May 28, 1940, under the new name of *General MacDonald*?

2. How much did the government pay for this vessel?

3. After the vessel was purchased, (a) were the repairs and improvements made on it; (b) were tenders called for these repairs and improvements; (c) what did these repairs and improvements cost; (d) when were these repairs and improvements made?

4. When was this vessel first put in commission by the government?

5. After the vessel was put in commission, (a) were further repairs made to it; (b) how often has it been repaired since; (c) who made these repairs; (d) how much did they cost?

6. What is the total cost of repairs and improvements to date?

Mr. HOWE:

1. Frank Leslie Anderson, Saint John, New Brunswick.

2. $4,100.

3. (a) Yes.

(b) Yes.

(c) $5,663. After the contract was let for this work, it was found that supplementary repairs were necessary, amounting to $2,645 and $357. This additional work was awarded to the same contractor without tenders being called.

(d) Approximately April 1, 1940.

4. June 2, 1940.

5. (a) Yes.

(b) Twice.

(c) J. Fred Williamson Limited, Saint John, New Brunswick, and Silvers Agency, Halifax, Nova Scotia.

(d) $8,495.

6. $21,260.

MUNITIONS AND SUPPLY—CONTRACTS AWARDED IN BRITISH COLUMBIA

Mr. HANSON (Skeena):

What was the total amount of contracts awarded in British Columbia, by the Department of Munitions and Supply, since January 1, 1939, to date, as follows: (a) seaplane bases, including purchase of property; (b) aeroplane bases, including purchase of property; (c) shipbuilding and repairs; (d) shells and ammunition of all kinds; (e) tools and accessories; (f)

minerals and mineral products; (g) lumber and forest products; (h) provisions of all kinds, including canned and fresh fish; (i) shoes and clothing, and (j) any other contracts?

Mr. HOWE: This is a blanket question which will involve a tremendous amount of research and typing, and it is of a kind that we have declined to answer previously. If my hon. friend could make his question more specific we should be glad to answer, but in its present form it would involve bringing down every contract that has been placed in British Columbia.

Mr. SPEAKER: Dropped.

Mr. HANSON (York-Sunbury): Well, the minister stated last Friday that if anyone wanted information about contracts from his department he would be glad to bring it down. I can understand the difficulty the minister has suggested about the question in its present form—

Mr. HANSON (Skeena): Might I ask the minister to give the total expenditure of the department in British Columbia?

Mr. HOWE: I shall be glad to give my hon. friend that in some detail. But his question as it stands asks for so many documents and details that I do not think we could have it ready in time for this session. We can give without much trouble the information for which he has now asked. It is not that I object to giving the information; it is simply the amount of mechanical work it involves.

Mr. SPEAKER: Dropped.

Mr. HANSON (Skeena): Well, if I could get the information suggested by the minister—

Mr. SPEAKER: Stand.

DAFOE, SASK., AIR TRAINING FIELD

Mr. WRIGHT:

1. From whom was the site for the Dafoe air training field purchased?
2. What was the total acreage purchased?
3. What was the total price paid?
4. Has a suitable water supply for this camp been found?
5. If so, at what distance?

Mr. HOWE:

1. T. H. Held, H. H. Kirchoff, W. J. Rossiter.

2. 640 acres.

3. $11,810.

4. Suitable water supply available but requires treatment.

5. Water supply located on aerodrome property.

STORAGE OF WHEAT IN BRITISH COLUMBIA ELEVATORS

Mr. REID:

1. What quantity of wheat is being held or stored in each of the elevators at Vancouver, New Westminster, Prince Rupert and Victoria?
2. Is the government bearing any of the costs on the storage of such wheat?
3. If so, what costs are being incurred, and what was the amount of same up to the end of January, 1941?
4. What is the monthly cost for the storage of wheat in these elevators?

Mr. MacKINNON (Edmonton West):

1. Stocks of wheat in store in elevators at Vancouver, New Westminster, Prince Rupert and Victoria as at February 20, 1941: Vancouver, 17,290,484 bushels; New Westminster, 682,342 bushels; Prince Rupert, 1,208,179 bushels; Victoria, 893,772 bushels.

2. Yes—on wheat stored by the Canadian Wheat Board.

3. Storage and drying charges. Accrued storage charges are not available at January 31, 1941. At February 15, 1941, they were as follows: Storage, $557,609.19; drying charges, $9,674.31.

4. For all elevators at Vancouver, New Westminster and Victoria—1/60th of one cent per bushel per day. For Prince Rupert—1/120th of one cent per bushel per day (special arrangement).

WHEAT BOARD ADVISORY COMMITTEE

Mr. DOUGLAS (Weyburn):

1. What is the personnel of the advisory committee of the wheat board?
2. Which members represent producers organizations?
3. What organizations do they represent?
4. What producers organizations were asked to make recommendations, whom did they recommend and were these recommendations accepted?
5. Were any other organizations asked to make recommendations? If so, whom did they recommend?
6. How many meetings have been held by the advisory committee, and how many reports have been submitted to, (a) the wheat board; (b) the Minister of Trade and Commerce?
7. What emoluments, by way of travelling expenses, etc., have been paid to each member of the advisory committee to the wheat board?

Mr. MacKINNON (Edmonton West):

1. Advisory committee of the Canadian Wheat Board:

Vancouver—Mr. Fred H. Clendenning, Vancouver, representing Vancouver grain and shipping interests.

Alberta—Lew Hutchinson, Duhamel, Alta. (chairman Alberta wheat pool), Alberta pro-

ducers. Mr. Paul Farnalls, Halkirk, Alta. (president Western Union of Municipalities), Alberta producers.

Saskatchewan—J. H. Wesson (president Saskatchewan Co-op. Wheat Producers), Saskatchewan producers. J. A. McCowan, Summerberry, Sask., Saskatchewan producers.

Manitoba—D. G. McKenzie (first vice-president United Grain Growers Ltd., Winnipeg), Manitoba producers.

Ontario—Fred Pettypiece, Auld, Ont., Ontario producers.

Quebec—Rosario Messier, Contrecoeur, Que., consumers; A. C. Reid (Western Grain Company), Winnipeg, line elevators; D. A. Campbell (former president St. Lawrence Flour Mills Co.), Toronto, millers; R. C. Reece, K. B. Stoddart & Co., Winnipeg, exporters.

2. Answered by question 1.

3. Answered by question 1.

4. None, except informally.

5. No.

6. Six meetings as follows: August 26 and 27, 1940; September 30 and October 1, 1940; November 18 and 19, 1940; December 18 and 19, 1940; January 13, 14 and 15, 1941; February 17, 18 and 19, 1941.

Reports—Minutes and a report of meeting for August, September and November were furnished; minutes only of the December meeting were furnished, as that meeting dealt with recommendations for the 1940-41 wheat policy, which were held over for further deliberation at the following meeting; minutes for the January meeting, together with the recommendations with respect to said policy were furnished; report of meeting of February was furnished, but the minutes will not be submitted until they are approved by the committee at its next meeting.

7.

	Honorarium	Subsistence	Travelling	Total
Campbell, D. A.	$	$380.00	$654.65	$1.034.65
Clendenning, F. H.	210.00	210.00	207.95	627.95
Farnalls, Paul	420.00	420.00	489.25	1,329.25
Hutchinson, Lew	310.00	310.00	358.71	978.71
McCowan, J. A.	290.00	290.00	146.75	726.75
McKenzie, D. G.	170.00	7.00	....	177.00
Messier, R.	120.00	120.00	407.50	647.50
Pettypiece, Fred	320.00	320.00	387.75	1,027.75
Reece, R. C.	160.00	....	....	160.00
Wesson, J. H.	150.00	150.00	149.35	449.35

NOTE: Mr. Campbell does not take his honorarium; Mr. Clendenning's travelling expenses do not include railroad fares as he travels on a pass; Mr. McKenzie and Mr. Reece draw honorariums only, although Mr. McKenzie had one small expense item for one of the meetings; Mr. Reid draws neither honorarium nor expenses.

INCOME TAX—WORKING CAPITAL AND RESERVES OF COOPERATIVE ORGANIZATIONS

Mr. DOUGLAS (Weyburn):

1. Has the income tax branch of the Department of National Revenue indicated its intention of treating as income any moneys retained by cooperative organizations as working capital or reserves?

2. Has any regulation or interpretation been issued to this effect?

3. If so, will this policy be retroactive and to what date?

4. Would the government indicate the purpose and intent of such a policy?

Mr. GIBSON:

1. No.

2. No.

3. Answered by Nos. 1 and 2.

4. Answered by Nos. 1 and 2.

[Mr. J. A. MacKinnon.]

BAIE DES SABLES, QUE., WHARF

Mr. ROY:

1. What happened to the materials for which a sum of $14,332.50, representing 50 per cent of their value, was paid by the government under the terms of the contract awarded in 1939 to Bertrand and Brother, L'Orignal, Ontario, for the construction of a wharf at Baie des Sables, Matane county?

2. Has the government received a part of these materials or been compensated or reimbursed for them?

Mr. CASGRAIN: This material has been taken over by the Department of Public Works and used in connection with various works carried out by the department in the province of Quebec.

LANCASTER MILITARY HOSPITAL

Mr. HATFIELD:

1. What was the cost of the annex to Lancaster military hospital at West Saint John?
2. What was the cost of the kitchen added to Lancaster military hospital?
3. How will the kitchen be connected to the hospital?
4. If by a tunnel, what is the estimated cost of the tunnel?

Mr. MACKENZIE (Vancouver Centre):

1. $85,904.50.

2. No kitchen added to Lancaster hospital. However, two small rooms were incorporated into the kitchen layout, one for vegetable preparation and one for maids' dining room.

The cost of preparing these rooms is not available as work carried out partially under utility staff. Additional equipment was added, however, to the main kitchen at a cost of $2,073.

3. Answered by No. 2.

4. Answered by No. 2.

If questions No. 3 and 4 are—How will food be transferred from the main kitchen in Lancaster hospital to the annex pavilion across the road?—The answer is, by truck in insulated containers.

ISOLATION HOSPITAL, MILITARY DISTRICT NO. 7

Mr. HATFIELD:

1. What was the cost of the isolation hospital built in connection with military district No. 7 at Saint John, New Brunswick?
2. How many beds are there in this hospital?

Mr. MACKENZIE (Vancouver Centre):

1. No information re isolation hospital built in connection with military district No. 7.

Isolation hospital in connection with quarantine services, Saint John, N.B., now under construction. Contract price, $40,838—awarded by Department of Public Works.

2. Number of beds for patients—seven (7), together with living quarters for two nurses and cook.

SAINT JOHN HARBOUR—FLOATING CRANE

Mr. HATFIELD:

1. Has the harbour commission at Saint John a floating crane under rental?
2. If so, who owns this crane?
3. How much rental does the harbour commission of Saint John pay for its use?

Mr. HOWE:

The following information has been furnished by the National Harbours Board, successors to the former Saint John harbour commissioners:

1. No. The national harbours board owns and operates a floating crane at Saint John.

2. Answered by No. 1.

3. Answered by No. 1.

FOUR-MONTHS TRAINING PERIOD—POSTPONEMENT FOR FARMERS' SONS

Mr. HATFIELD:

Will the government consider the exemption of farmers' sons for the next two 4-month training periods and call them up for the period after the harvest?

Mr. RALSTON: As announced by the Prime Minister, in principle there will be no exemptions, particularly in view of the limited age groups affected; but consideration is being given by the Departments of National War Services and National Defence to the feasibility of postponements where necessary to meet the requirements of essential seasonal occupations.

WAR MATERIALS—STAR MANUFACTURING COMPANY PLANT, DARTMOUTH, N.S.

Mr. ISNOR:

1. Was a survey or investigation made by the Department of Munitions and Supply or the Department of National Defence, in connection with the plant known as Star Manufacturing Company, Dartmouth, Nova Scotia, with a view to utilizing same for the manufacture of shells, munitions or other war materials?
2. If so, on what date, by whom and with what result?

Mr. HOWE:

1. Yes.

2. Inspection of the Star Manufacturing Works Limited, Dartmouth, Nova Scotia, was made by Colonel G. G. J. Ball, mechanical engineer, M.D. 6, of the Department of National Defence on March 18 and 19, 1937. The plant was again inspected by Colonel G. Ogilvie, Colonel G. G. J. Ball, and Major Bishop of the Department of National Defence on July 28, 1937. Inspection was made of the plant on August 12, 1940 by Mr. W. O. McDowell of the Department of Munitions and Supply.

The company is considered capable of supplying for war-time requirements bolts, nuts, rivets, ship's hardware, etc.

So far it has not been considered advisable to utilize this plant for the manufacture of shells or munitions.

CLASS "C" INTERNEES

Mr. NICHOLSON:

1. How many class "C" internees were transferred from Great Britain during 1940?
2. How many have been released?
3. How many have been returned to Great Britain?
4. How many British officials are in Canada in connection with releasing class "C" internees?
5. Are class "C" internees detained under conditions similar to those for dangerous interned aliens?

Mr. CASGRAIN:

1, 2 and 3. Since the internees in question were sent to Canada under an arrangement with the government of the United Kingdom, it is not considered in the public interest to divulge the information asked by these three questions.

4. The United Kingdom government sent a senior official of the Home Office to Canada. He is at present dealing with the cases of civilian internees who were sent by the United Kingdom for internment in Canada.

5. So far as has been possible, internees who have been definitely classified by the United Kingdom authorities as class "C" are not detained in camps with combatant prisoners of war or enemy aliens classified as class "A".

SOLDIER SETTLEMENT BOARD

Mr. NICHOLSON:

1. What were the total expenses in connection with the administration of the soldier settlement board during the past fiscal year?

2. What were the total payments made by soldier settlers to the soldier settlement board during the past fiscal year?

Mr. CRERAR:

1. $586,706.20.

2. $2,264,673.77, total receipts as follows: Soldier settlers loan accounts, $940,257.38; civilian purchasers loan accounts, $635,439.68; British families loan accounts, $130,028.61; receipts from rentals of real estate, $88,951.37; cash receipts from real estate sales and sundry items, $469,996.73. Total receipts, $2,264,673.77.

NATIONAL DEFENCE—ACQUIRING OF PROPERTIES IN TORONTO

Mr. CHURCH:

1. Has the Department of National Defence taken over the old Canada Life building, 46 King street west, Toronto, from the Canadian Bank of Commerce?

2. If so, for what purpose, and on what terms of lease or other contract?

3. Does the department call for tenders for such lease of space—so as to assure competitive bids?

4. What are the terms and conditions of lease of a building on Albert street, Toronto, taken for a recruiting depot?

5. What other leases are now in existence by this department in the city of Toronto, where and for what purposes?

Mr. RALSTON:

1. No.

2. Answered by No. 1.

[Mr. Nicholson.]

3. No. An officer with long business experience and capacity in real estate transactions was secured for special duty in connection with the acquisition of land and the negotiation of leases, and he has the benefit of the services of business men who are specially qualified to deal with such problems, to assist him when called upon.

4. Rented on a monthly basis commencing February 1, 1941, for so long as required by the Crown, at $175 per month; lessor responsible for taxes, insurance, water rates and heating, crown responsible for lighting and cleaning.

5. It is assumed that the enquiry has reference to the Department of National Defence (Army):

Lessor—Terminal Warehouses Ltd., Toronto. Leased Premises—15,000 square feet at 829 Richmond St. How occupied—Royal Canadian Army Service Corps Supply Depot, Military District No. 2.

Lessor—T. Eaton Co. Building. Leased Premises—280 Lansdowne St. How occupied—Veterans Guard of Canada.

Lessor—Hospital for Sick Children. Leased Premises—Chorley Park. How occupied—Convalescent Hospital.

Lessor—Northrop-Strong Ltd., 49 Wellington St., Toronto, Ont. Leased Premises—434 University Ave. How occupied—Ordnance Workshop Military District No. 2.

Lessor—C.P.R. Building, C.P. Railway. Leased Premises—Room 1403—14th floor. How occupied—Cable Censor.

Lessor—Toronto West Hospital. Leased Premises—Grace Hospital, Huron and College. How occupied—Toronto Military Hospital.

Lessor—Toronto General Trusts Corp., Bay and Melinda streets. Leased Premises—60 Atlantic Ave. How occupied—Royal Canadian Engineers Stores.

Lessor—Phi Kappa Pi Bldgs., Ltd., Toronto, Ont. Leased Premises—14 Willcocks St. How occupied—Personnel of Military Hospital Quarters.

Lessor—Purdy Mansell Ltd., 63 Albert St. Leased Premises—4th Floor of 63 Albert Street, Toronto. How occupied—Artillery lecture space and signal classes, 21st Medium Battery, Royal Canadian Artillery.

In addition to the above, accommodation has been leased on behalf of the Department of National Defence (Army), by the Department of Public Works.

BOUNDARY BAY, B.C., AIR TRAINING FIELD

Mr. MacINNIS:

1. From whom was the land for the airfield at Boundary bay, British Columbia bought?
2. What is the area in acres of the said airfield?
3. What was the price paid?
4. Were tenders called for the work of improving the grounds?
5. If so, what was the name of the successful tenderer?
6. Was the lowest tender accepted?
7. What was the total amount of the accepted tender?

Mr. HOWE:

1. Emma E. Paterson, F. R. S. Loney, Alex. Fisher.
2. 480 acres.
3. $69.200.
4. Work done by departmental forces by day labour.
5, 6 and 7. Answered by No. 4.

NATIONAL DEFENCE—RENTAL OF PROPERTY IN QUEBEC

Mr. ROY:

1. Has the Department of National Defence, or the Department of National Defence for Air, rented space in a building on St. Anne street, Quebec, known as the Morgan building?
2. If so, (a) what is the rent, and (b) the duration of the lease?
3. What is the name of the owner?
4. If owned by a company, what are the names of the directors thereof?

Mr. RALSTON:

1. Yes—for joint use of the Army and the Royal Canadian Air Force.
2. (a) From the 18th September, 1939, to 29th February, 1940, a total of $941, and from the 1st of March, 1940, at the rate of $325 per month; (b) monthly basis commencing 18th September, 1939.
3. Estate of the late E. R. Morgan.
4. Answered by No. 3.

*PUBLIC SERVICE—FRENCH LANGUAGE EMPLOYEES

Mr. LaCROIX (Quebec-Montmorency):

1. What is the total number of employees in each department of the dominion government?
2. What is the total number of French language employees in each department?
3. What is the total amount of salaries in each department?
4. What is the total amount of salaries paid in each department to French language employees?

Mr. CASGRAIN: This question calls for a great deal of information which is not on file in the various departments of the government. I am informed also that if the question is to be answered it will entail a tremendous amount of work, because each employee in the various branches of the service throughout Canada will have to be interviewed in order to get part of the information requested. I suggest that the question be dropped.

Mr. SPEAKER: Dropped.

FORT DE LEVIS MONUMENT

Mr. CASSELMAN (Grenville-Dundas):

1. By whom was the caretaking of Fort de Levis monument on the Dawson property in the township of Edwardsburg, in the county of Grenville, done during the year 1940?
2. What compensation was paid for the said work?
3. To whom was this compensation paid?

Mr. CRERAR:

1. Elmer W. White was caretaker during early part of calendar year. He informed the controller, national parks bureau, on July 8, 1940, that he had moved away from the district. New caretaker was appointed at beginning of 1941.
2. $6.25.
3. Elmer W. White.

SOURIS, MAN., CENSUS COMMISSIONER

Mr. ROSS (Souris):

1. Who has been made census commissioner for the federal constituency of Souris?
2. By whom was he recommended?
3. Is he a great war veteran?

Mr. MacKINNON (Edmonton West):

1. G. W. McDonald, Boissevain, Man.
2. By the Minister of Trade and Commerce after consultation with his colleague the Minister of Mines and Resources.
3. No information.

JOINT SWINE COMMITTEE

Mr. CARDIFF:

1. What are the names, addresses and occupations of the members of the joint swine committee as presently constituted?
2. By whom were they appointed?

Mr. GARDINER: I do not think there is any such thing as a joint swine committee. I would ask that the question be dropped and asked again in a form in which it can be answered.

Mr. SPEAKER: Dropped.

Mr. HANSON (York-Sunbury): The Minister says, if I understand him correctly, that there is no such thing as a joint swine committee. He should know. But the evidence is against him. If he will turn to page 933 of *Hansard* for February 24, just a week ago to-day, he will find that that point arose in connection with a question asked by the

hon. member for York East (Mr. McGregor) which had to do with the grading of hogs. In a reply brought down by the minister himself there is a distinct reference to "the joint swine committee". I refer to answer No. 8, which states in part:

In 1922 the premium on the select bacon grade was established by agreement between the department and the joint swine committee, the membership of which includes representatives of various producers organizations.

Mr. GARDINER: That is not a committee set up by the government.

Mr. HANSON (York-Sunbury): Oh, well—

Mr. GARDINER: I understood the committee referred to was a government committee.

Mr. HANSON (York-Sunbury): Any alibi will do!

Mr. GARDINER: If there is such a committee I will try to get the names, but I do not think we have them on the list.

Mr. HANSON (York-Sunbury): I think you have.

QU'APPELLE, SASK., CENSUS COMMISSIONER

Mr. PERLEY:

1. Who has been named census commissioner for the constituency of Qu'Appelle?

2. On whose recommendation was he appointed?

Mr. MacKINNON (Edmonton-West):

1. Jas. A. McCowan, Summerberry, Sask.

2. Upon recommendation of the Minister of Trade and Commerce in consultation with his colleague, the Minister of Agriculture.

QUESTIONS PASSED AS ORDERS FOR RETURNS

AIR FORCE STRENGTH—RACIAL AND PROVINCIAL ORIGINS

Mr. ROY:

1. What is the actual effective strength of the Royal Canadian Air Force at the present time?

2. How many English Canadians, French Canadians, British subjects from overseas, Americans and other nationalities are serving in the said force?

3. How many have volunteered for and enlisted in the air force in each of the provinces?

AID TO MAGDALEN ISLANDS FISHERMEN

Mr. ROY:

1. Were any representations made in 1939, and up to date in 1941, by the government of Quebec, that the dominion government should come to the aid of the fishermen of the Magdalen islands?

[Mr. R. B. Hanson.]

2. If so, (a) what was the nature of such representations, (b) what was the reply thereto, and (c) what action, if any, was taken?

AIRPORTS IN NEWFOUNDLAND

Mr. BLACK (Cumberland):

1. Has the government had responsibility for the construction of airports in Newfoundland?

2. If so, what has been the total expenditure and how much is payable by, (a) the Canadian government; (b) the British government, (c) the Newfoundland government?

3. Were such expenditures made directly under government authority or through contractors?

4. What are the names of each contracting firm, and, (a) the value of each contract when let; (b) the amount paid each contractor to date and the amount due; (c) the estimated amount required to complete each contract; (d) the total estimated cost when project is completed?

5. Who will have the ownership and responsibility for operating and maintenance of such airports when construction is completed?

MOSSBANK, SASK., AIRPORT

Mr. DOUGLAS (Weyburn):

1. What are the total amounts spent by the federal government to date on the airport at Mossbank?

2. What are the total commitments for this project?

3. What is the cost of erecting the electrical centrifugal pumps and what is the maximum daily supply of water available?

DOMINION CONTRIBUTIONS TO PROVINCES FOR RELIEF

Mr. DOUGLAS (Weyburn):

1. How much has been contributed by the federal government to the respective provinces, each year since 1935, for relief?

2. How much of this was for unemployment relief and how much for agricultural aid?

PRAIRIE FARM ASSISTANCE ACT

Mr. DOUGLAS (Weyburn):

1. What is the total amount that has been received from the one per cent levy under the Prairie Farm Assistance Act, during the present fiscal year?

2. How much has been spent in (a) administration costs; (b) bonus to producers?

3. How many awards have been made under this act during the present crop year?

Mr. CASGRAIN: Order for return.

Mr. HANSON (York-Sunbury): Oh, why?

FREIGHT RATES EASTWARD ON WHEAT

Mr. LACOMBE:

1. What is the average price per bushel paid to the producer of wheat?

2. What is the average price of wheat flour charged to the consumer in eastern Canada?

3. Has the government taken the necessary steps to secure a reduction in the transportation charges on wheat from the prairie provinces to the eastern provinces?

DARTMOUTH, N.S. AIRPORT

Mr. HATFIELD:

1. Who was the engineer engaged on the construction of the Eastern Passage airport at Dartmouth, Nova Scotia?
2. Was there any change in engineers during the construction period?
3. If so, why was there a change?
4. What was the price paid per yard for gravel, under the cost plus contract at this airport?
5. Was the rock crushing plant used on this cost plus contract?
6. If so, what rental was paid for the rock crushing plant?
7. Were there steam shovels used under the cost plus contract?
8. If so, how many steam shovels were used and how much rental was paid for them?

BUILDING OF STEAMSHIPS AND FREIGHTERS

Mr. ISNOR:

1. Has a report been made by any officer of the Department of National Defence for Naval Affairs or of any other department, regarding the building of steam ships and freighters?
2. If so, what locations were surveyed or investigated?
3. What is the name of the officer or official making such report?
4. Have the possibilities of building steel freighters in Nova Scotia been looked into and reported upon?
5. If so, what locations were surveyed or investigated, what was the nature of the report in each instance and what are the names of the officers or officials who made such investigations?

PATENTS AND ROYALTIES—ITALY, JAPAN AND GERMANY

Mr. REID:

1. In the countries of Germany, Italy and Japan, are the interests of Canadian citizens now being recognized in the matter of any patent rights issued by Canada?
2. In the matter of patents issued in Canada, have any steps been taken to make available to the government or to any Canadian citizen, patents, the patent rights for which may have been granted to citizens or nationals of Germany, Italy or Japan?
3. Are any royalties being paid either by the government or other citizens of Canada for the use of any patents the special rights for which may have been granted in Canada to citizens or nationals of Italy, Japan or Germany?
4. Are any royalties being paid or any payments being incurred to any agent or agents either in Canada or any other country for the use of patents in this country and for which patent rights may have been issued or granted to nationals or citizens of Germany, Japan or Italy?
5. Is the government protecting in any way the interests of any citizen or national of Italy, Japan or Germany for the use of any patent, the patent rights of which may have been issued to any such citizens or nationals by the Canadian government?

AIR FORCE—MANNING POOL, TORONTO

Mr. CHURCH:

1. Was an inquiry held respecting an outbreak of scarlet fever at Manning pool, Toronto?
2. Were any officers and men quarantined?
3. If so, how many of each rank?
4. How many cases of scarlet fever were there?
5. How many of such cases are now in the Toronto isolation hospital?
6. What steps are being taken to eradicate this disease?
7. What number of the R.C.A.F. at this pool have been laid up with sickness other than scarlet fever during 1940 and to date in 1941?
8. How many officers and men at this pool are taking the British empire training scheme courses, and how many are only for home duties in Canada?
9. How many civilians are serving at this depot?
10. Are the depot heads of this pool transferred or changed from time to time?
11. Has any revision been made in the number of Royal Canadian Air Force guards doing duty on the Toronto water front since the last reply on this question?
12. What length of time, on the average, does each recruit spend at this depot, and what new courses, if any, have been added?

TRADE AND COMMERCE—SUPERVISOR OF WEIGHTS AND QUANTITY STANDARDS

Mr. FLEMING:

1. Is there a supervisor of weights and quantity standards with the Department of Trade and Commerce?
2. If so, who is the present incumbent?
3. Does this incumbent function, what is his salary and what are his duties?
4. What action has he taken in the past three months?
5. What reports has he made in the last fiscal year?
6. Does he supervise short weights in coal?
7. What reports has he made since 1934 on short weights in coal?
8. What action was taken on these reports?
9. If action was not taken by the department, what were the reasons?

MOSSBANK, SASK, AIRPORT

Mr. COLDWELL:

1. From whom was the site for the airport near Mossbank, Saskatchewan, purchased?
2. How many acres were purchased and at what price per acre?
3. Was the grading, building and other work at this airport done by contract?
4. If so, who were the contractors and what were the respective contract prices?
5. What was the total of all contracts?
6. Where is water obtained for the airport, what distance is it hauled, who has the contract and at what price?
7. Who supplies the coal, and, (a) who hauls it from the town of Mossbank or other point; (b) what is the price per ton for hauling; (c) what is the price per ton for the coal at the station?

ELECTRICITY TAX—COLLECTIONS BY PROVINCES

Mr. BROOKS:

What amounts were collected from each province in Canada through the operation of the present tax on electricity?

DAFOE, SASK., AIR TRAINING FIELD

Mr. PERLEY:

1. What individual or firm has the contract for lighting the airport at Dafoe, Saskatchewan?
2. What are the terms of the contract?

PRAIRIE PROVINCES AIR FIELDS—TRACTORS FOR PACKING SNOW

Mr. PERLEY:

1. Did the government buy a number of tractors to be used to pack the snow on the air fields in the three western provinces?
2. If so, from whom, how many, and what was the total amount paid in this regard?

MOTIONS FOR PAPERS

EMPLOYMENT OF CIVILIANS AT ONTARIO AIRPORTS

Mr. SENN:

For a return showing, names and addresses, nature of employment and salaries of each civilian employed at the following airports, as of February 1, 1941, (a) Dunnville; (b) Jarvis; (c) Hagersville, and (d) Kohler. Also a statement showing who recommended the appointment of each of these persons.

PURCHASE OF LAND FOR ONTARIO AIRPORTS

Mr. McGREGOR:

For a return showing the names of persons from whom real estate was purchased to provide space for airports at Mount Hope, Jarvis, Brantford, Dunnville, Birch, Hagersville, Fingal and Kohler, the number of acres purchased from and the amount paid to each person.

ST. CATHARINES, ONT., POST OFFICE—STAMP VENDOR

Mr. LOCKHART:

For a copy of all letters, telegrams, recommendations, applications, reports and other documents in the possession of the Post Office Department, regarding the recent appointment of a stamp vendor at the post office, at St. Catharines, Ontario.

PRAIRIE FARM ASSISTANCE—AVERAGE CROP RETURN IN CERTAIN TOWNSHIPS

Mr. DOUGLAS (Weyburn):

For a copy of all correspondence, telegrams, reports and other documents in the possession of the board of review, set up under the Prairie Farm Assistance Act, regarding the average crop return in the following townships: 10-15-W. 2nd, 11-15-W. 2nd, and 12-15-W. 2nd.

For a copy of all available data gathered by the board of review, set up under the Prairie Farm Assistance Act, in computing the average crop return of township 14-20-West of 2nd.

[Mr. Coldwell.]

LETHBRIDGE SOUTHEASTERN IRRIGATION PROJECT

Mr. BLACKMORE:

For a copy of all correspondence, reports, memoranda and other documents exchanged between the Alberta government and federal government, since 1935, bearing upon the question of the Lethbridge southeastern irrigation project, and particularly with respect to the storage of run-off water in the St. Mary river, Alberta.

PRAIRIE FARM ASSISTANCE—SASKATCHEWAN CROP FAILURE AREA

Mr. DOUGLAS (Weyburn):

For a copy of all correspondence, telegrams and other documents exchanged between the provincial government of Saskatchewan and the federal Department of Agriculture, regarding a crop failure area being set up under section 4 of the Prairie Farm Assistance Act.

PORT WILLIAMS, N.S., PUBLIC WHARF

Mr. BLACK (Cumberland):

For a copy of all payrolls and accounts of expenditure by the Department of Public Works on the public wharf at Port Williams, Nova Scotia, for the year ending December 31, 1940.

Also a statement showing the amount of money paid to Gordon Gates as foreman, wharfinger, harbour master, or for any other services or materials supplied to the Department of Public Works at Port Williams, Nova Scotia, for the fiscal years ending March 31, 1936, 1937, 1938, 1939, and for the year ending December 31, 1940.

MOUNTED POLICE—CORPORAL ART REED

Mr. NICHOLSON:

For a copy of all correspondence, telegrams and other documents in the possession of the Department of Justice, dated during the years 1939 and 1940, with respect to the dismissal of Corporal Art Reed, formerly with the Royal Canadian Mounted Police at Pelly, Saskatchewan.

Mr. LAPOINTE (Quebec East): I am sorry, but I have to ask that this motion be not adopted, because it refers to a matter of internal discipline of the Royal Canadian Mounted Police. The correspondence and documents referred to are confidential, and it has always been the practice so to consider them. It is against the public interest that this matter be made public.

FORT DE LEVIS MONUMENT

Mr. CASSELMAN (Grenville-Dundas):

For a copy of all correspondence with the Department of Mines and Resources or any other department of government or branch thereof with respect to the Fort de Levis monument since the date that the land for said site was presented to the government of Canada.

Mr. CRERAR: I am informed it would take about two weeks to copy all the documents

asked for in this return. There is no objection to bringing them down; but if the hon. member has some particular point upon which he wishes to get information, or if it would be satisfactory for him to examine the files himself, it would save a very considerable amount of work. A blanket order of this kind involves all the correspondence which happened to come into the department in connection with this particular matter.

Mr. CASSELMAN (Grenville-Dundas): If I have the privilege of perusing the files, and, if I find what I expect, I have the privilege of taking copies, that will meet with my approval.

Mr. CRERAR: I would have no objection whatever to furnishing the hon. member with copies of whatever documents on the files he wishes to have. I had better, though, to keep matters regular, have my office make the copies.

Mr. CASSELMAN (Grenville-Dundas): That is quite satisfactory.

DOMINION PURCHASES OF COAL FOR USE IN NEW BRUNSWICK

Mr. BROOKS:

For a return showing the tonnage, price paid and source of all coal purchased by the dominion government during the past calendar year for use in the province of New Brunswick.

MUNITIONS AND SUPPLY—ELECTRIC POWER, NEW BRUNSWICK

Mr. HATFIELD:

For a copy of all correspondence exchanged between the munitions and supply board and any member thereof and the New Brunswick hydro commission or any member thereof, in regard to the furnishing of electric power and the amount of power available.

MUNITIONS AND SUPPLY—ORDERS FOR NEW BRUNSWICK FIRMS

Mr. HATFIELD:

For a copy of all correspondence exchanged between the munitions and supply board or any member thereof and the New Brunswick government in regard to securing orders for the firms located in the province of New Brunswick.

AIR FORCE—PURCHASE OF LANDS IN SASKATCHEWAN

Mr. PERLEY:

For a return showing the names of persons from whom land was purchased to provide space for airports, bombing schools or air training landing fields at Mossbank, Moose Jaw, Broadview, Wolseley and Moosomin, Saskatchewan, giving the number of acres purchased in each instance and the amount paid per acre to those from whom the land was purchased.

NATIONAL PARKS

PRINCE ALBERT—PROVISION FOR WITHDRAWING CERTAIN AREAS OF LAND AND ESTABLISHING NEW BOUNDARIES

Hon. T. A. CRERAR (Minister of Mines and Resources) 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 National Parks Act for the purpose of withdrawing certain areas of land from the Prince Albert National Park as presently constituted, and for establishing new boundaries for the said park as a consequence thereof.

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.

AIRCRAFT PRODUCTION

REQUEST FOR TABLING OF INFORMATION CONTAINED IN PAGES DELETED FROM MACMILLAN REPORT

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): May I direct a question to the Minister of Munitions and Supply (Mr. Howe)? In view of the disturbed condition of the public mind in regard to aircraft production at this critical time will the minister lay on the table of the house the missing pages Nos. 5, 6, 7 and part of 8 of the MacMillan report, deleted on the ground that they contained confidential information? Were those pages marked "confidential", or is that the minister's own interpretation? Does the minister mean to imply that this information would be valuable to the enemy? If not, then on what ground has it been withheld? Will the minister give a statement setting forth the essence of all discussions which took place between him and Mr. MacMillan in relation to the latter's report? Will the minister relieve Mr. MacMillan of his oath of secrecy and prove he has nothing to conceal by asking Mr. MacMillan to make a statement and thus allow the public to judge who is responsible for the present dangerous and alarming delay in aircraft production?

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, the hon. member started out with the preamble, "In view of the disturbed condition of the public mind in regard to aircraft production," I must say at once that I am not aware of the disturbed state of the public mind. So far as pages 5, 6, 7 and part of 8 of the MacMillan report are concerned, these pages have nothing what-

ever to do with aircraft production and make no reference to it. The report itself was a highly confidential document which was prepared by Mr. MacMillan for submission to the Minister of Finance (Mr. Ilsley) and the war cabinet. It became such a subject of discussion that I offered in the house to lay on the table such portions of the report as could be laid on the table without disclosing military secrets which it is not the privilege of the Canadian government to disclose. We have been requested particularly by the British government not to disclose items in connection with small arms and gun production which are contained in the pages which were deleted.

When I made the offer to the house the hon. leader of the opposition (Mr. Hanson) said that he quite understood why the pages in question could not be laid on the table, and later in his speech he said he quite agreed with me that they should not be laid on the table. As to Mr. MacMillan being relieved of his oath of secrecy, as long as Mr. MacMillan is an officer of the Department of Munitions and Supply I am afraid he will have to comply with the rules governing the officers of that department as laid down by order in council.

Mr. HANSON (York-Sunbury): The statement I made was based upon the theory that the particular pages related to the production of guns. If there is anything else in them, that statement would not apply.

Mr. HOWE: There is nothing else in them. They related entirely to guns.

WHEAT

QUESTIONS AS TO PRICES AND QUANTITIES SOLD SINCE AUGUST 1

On the orders of the day:

Hon. JAMES A. MacKINNON (Minister of Trade and Commerce): A few days ago the hon. member for Qu'Appelle (Mr. Perley) asked certain questions in regard to the amount of wheat which had been sold since August 1 last, to whom sold, and the average price received. The sale of 100 million bushels (futures) to the cereals imports branch of the United Kingdom ministry of food was announced on August 8 last. Sales have been made to neutrals and Canadian mills, but a considerable portion of this business is being handled through the open market. In such cases the producer does not deliver his wheat to the Canadian wheat board. So far as the board sales are concerned it is thought inadvisable to give the prices at which the board wheat is sold or the amounts of board wheat sold in addition to that mentioned.

[Mr. Howe.]

INCOME TAX

REPORT AS TO PROPOSED APPLICATION TO COOPERATIVE ORGANIZATIONS

On the orders of the day:

Hon. C. W. G. GIBSON (Minister of National Revenue): I should like to refer to a question asked in my absence on Friday by the hon. member for Acadia (Mr. Quelch). The question was:

Has the Department of National Revenue requested that cooperative organizations throughout the dominion file income tax returns?

The answer to that question is, no.

PENSION ACT

APPLICATION TO CERTAIN MEMBERS OF CANADIAN AND UNITED KINGDOM FORCES

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) moved that the house go into committee to consider the following resolution:

That it is expedient to amend the Pension Act to make its provisions applicable to certain members of the Canadian forces serving in the present war and to their dependents, to extend the benefits of the act to certain persons serving in the forces of the United Kingdom and also to make further changes and adjustments in the procedure and administration of the Pension Act.

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

Mr. GREEN: How many men have been discharged from the different forces in the present war, and how many of them have been discharged as physically unfit?

Mr. MACKENZIE (Vancouver Centre): I have not that information at hand, but I shall be glad to give it to my hon. friend to-morrow. I have had the information brought up to date, the number discharged and the number medically unfit, but I did not anticipate that this question would be asked on the resolution.

Mr. GREEN: Can the minister give an approximate figure?

Mr. MACKENZIE (Vancouver Centre): The approximate figure is 20,000.

Mr. HANSON (York-Sunbury): Will the minister make a general statement as to the necessity for this legislation?

Mr. MACKENZIE (Vancouver Centre): This resolution will be followed by a bill to amend the Pension Act. The main portion of the bill will give statutory form to orders in council passed in the last fifteen or sixteen months dealing with questions of pension legislation and administration. Certain new

principles will be enacted in the legislation, and there are other amendments dealing with administration and procedure. Provisions are being made for Canadians serving with the imperial forces, which provisions will be in accordance with the terms of an order in council passed already. When the bill passes the second reading it will be referred immediately to the committee appointed the other day by the house. This committee is now being organized and every part of the bill will be carefully considered by it.

Mr. GREEN: How many men in our new forces have been granted pensions already?

Mr. MACKENZIE (Vancouver Centre): The total number is 484, made up of 148 on account of disability, 273 to dependents for death, and 63, gratuities in settlement for disability.

Mr. GREEN: That is, 484 out of approximately 20,000 men who have been discharged?

Mr. MACKENZIE (Vancouver Centre): That is all the Canadians who have been discharged up to date, those serving overseas and in Canada.

Mr. GREEN: Of those who have received pension, what number served in England and what number in Canada?

Mr. MACKENZIE (Vancouver Centre): I have not that information before me.

Mr. GREEN: Will the minister have it to-morrow?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. BROOKS: Are there any in addition to that 20,000?

Mr. MACKENZIE (Vancouver Centre): Pension adjudication is fairly well up to date. It takes from forty to forty-five days after a discharge is given to get a decision.

Mr. GREEN: How many applications for pension have been rejected?

Mr. MACKENZIE (Vancouver Centre): In the early stages there were several thousand rejected. I shall get the exact information and give it to my hon. friend later.

Mr. GREEN: Is there any difference as to the qualifications for pension between the man who has served in England and the man who has served in Canada? I understand a different principle is applied when a man has served overseas.

Mr. MACKENZIE (Vancouver Centre): There is a section in the bill which repeats in statutory form the provisions of the order in council passed on May 21, 1940, which dealt with those who served overseas. The principles are the same as those that governed the award of pensions to those who served in the great war. In reference to those who served in Canada, after the passing of the order in council of May 21, 1940, the insurance principle was departed from and pensions are awarded for disabilities incurred on service. In other words, the disability must be due to service as such.

Mr. GREEN: Just what does that mean? Suppose a man is injured in one of the military camps; under what condition would he be given a pension?

Mr. MACKENZIE (Vancouver Centre): If the injury or disability is incurred while he is actually on service, while he is carrying out the ordinary duties of his service, he would be pensionable, but if he were accidentally injured while doing something apart from his ordinary military service duties, he would not be pensionable. This is a contentious provision and it will be thoroughly discussed by the special committee.

Mr. GREEN: Is it the principle that he must be, for example, actually drilling or firing a rifle the time of injury to qualify for a pension?

Mr. MACKENZIE (Vancouver Centre): He must be on duty. A certain amount of latitude and discretion is left to the pension commission in the administration of this provision, and instructions have been given to place the fairest possible interpretation upon it.

Mr. ROSS (St. Paul's): The minister says that it takes about forty-five days before the pension is granted or refused. What happens to the man in the interim? What has he to live on?

Mr. MACKENZIE (Vancouver Centre): Some of them are undergoing treatment in the hospitals of the department. Under an order in council passed last year treatment allowances can be continued up until the award of pension, or, if pension is not awarded, up to seven days after the decision has been made. With regard to other cases, provisions have been made in regard to the various committees throughout Canada, and the civil service commission is appointing very shortly welfare officers to consider perfecting the liaison between the different departments to provide for the thorough after-care of these men.

Mr. HANSON (York-Sunbury): With regard to the principle underlying the pensions to be granted those injured in Canada, does the minister mean to imply that it is the

principle followed in the old employers' liability insurance scheme, which provided compensation for those injured within the scope of their employment? Is that what the minister is trying to tell the committee?

Mr. MACKENZIE (Vancouver Centre): Yes—but not for overseas service, of course.

Mr. ROSS (Souris): Are the young men who are taking the thirty days' training in the training depots, or the four months training as it is now to be, considered to be on active service? If so, if one of them is taken ill at a training depot and is sent to hospital and dies there, will his dependents be eligible for a pension?

Mr. MACKENZIE (Vancouver Centre): Yes, if he incurred his disability as a result of his duties.

Mr. NEILL: I am thinking of a particular case—I know that is always unwise—of a man who was in the military service but not overseas, and in the course of his duties he was ordered to go on parade and play football. That was an order. He went on parade and was told to play football. He played football and got a severe injury to his head while playing. Somebody kicked him. They will not recognize that as entitlement to pension. I think he should be entitled to a pension.

Mr. MACKENZIE (Vancouver Centre): Yes, if he was ordered to perform duties in connection with his service and was injured in the course of those duties I should say he would be entitled to pension. That would be a matter for interpretation by the commission, and they are disposed to be fair in their interpretations.

Mr. HANSON (York-Sunbury): How does that come within the scope of his employment?

Mr. MACKENZIE (Vancouver Centre): If he was ordered to do it, it would be a duty.

Mr. NICHOLSON: I understand that married men with the forces are granted an allowance for two children. In the event of a pension being granted, how many dependent children would qualify for pension, assuming there are four children left?

Mr. MACKENZIE (Vancouver Centre): They would all be entitled to pension if they are eligible under the act and are under sixteen.

Mr. SENN: Is there any provision for pension for aggravation of a disease while on service? I have in mind a man who after being in the service for some little time was found to have tuberculosis, but the doctor stated he must have had the disease before he entered the service. There is no doubt that it was very greatly aggravated while on service. What happens in a case of this kind?

Mr. MACKENZIE (Vancouver Centre): My hon. friend is referring to one of the most difficult questions in pension administration, the aggravation of a condition such as he has mentioned. Under the old act, if aggravation took place, he would be entitled for the aggravation. There have been cases in Canada of men who have been only two or three months in the service and have developed chest or lung trouble. It is very difficult indeed to establish aggravation when the period of service has been short.

Mr. ROSS (Souris): The minister stated that approximately 20,000 men have been discharged and about 400 pensioned. What has been done to rehabilitate those who have been discharged and not pensioned?

Mr. MACKENZIE (Vancouver Centre): In my statement to the house on December 6 I gave an analysis of what we were endeavouring to do to rehabilitate these men. We have six or seven committees meeting every week to discuss this very problem and we trust that the new organization that is being set up of veterans' welfare officers, in cooperation with various other bodies, will ensure effective steps being taken. As my hon. friend knows, employment is the greatest difficulty. These men are already given preference in work on all government contracts in the departments of Munitions and Supply and Public Works, and facilities are being provided in the Department of Labour to give them preference in training. In every possible way we are doing what should be done so far as we can. This is also a question for further consideration by the special committee.

Mr. NEILL: Just one more point with respect to another class of dependents—mothers. It has been laid down by the government, and quite properly, that a wife shall receive $35 a month, and if there are any children, $12 for each child. She may be a young woman capable of doing all her domestic chores and perhaps a little outside work, which she is not prevented from doing by the regulations. That is the wife. She gets $35 a month for herself. But if the dependent is a mother she is entitled to get only $20 a month. You may say: The wife has children to support. But I answer that the married woman gets an allowance of $12 a month for each child, and if she is to receive $35 a month for herself I maintain that the aged mother, not perhaps able to do

her own chores, and possibly bedridden, should also get $35 if she was wholly dependent on her son's support.

Mr. MACKENZIE (Vancouver Centre): She would be entitled to a pension of $60 if he was her sole support.

Mr. NEILL: Yes, if he were killed, but I am talking about the dependent's allowance. I am not particular which department answers my question so long as the mother is granted more than $20 when her son is her sole support. The married woman gets $35, and it is no use telling me that she may have children to support because she gets paid extra for that, and if she is a young and able woman she can go out and do work, and she is able to do her own chores. But the aged woman, who is perhaps unable to do her own chores and may need medical attention, gets only $20.

Mr. LOCKHART: I associate myself with what has been said on this point by the hon. member for Comox-Alberni (Mr. Neill), and I believe that little latitude should be allowed under this resolution.

I rose particularly to ask the minister for further information with respect to the man who, having been accepted for service overseas, went to England, developed certain disabilities and was returned to Canada and discharged. His wife has been receiving his assigned pay and the allowance. The soldier is discharged as physically unfit and is unable to take his place in industry. His physical condition prevents him from following his former occupation. No committee seems to be able to deal with that kind of case. I could cite one or two cases of this kind in my own district where the family has had to go on relief. Will provision be made under this resolution or in amendments to the act to take care of men who have served for a considerable time in England and have then been returned to Canada and discharged and who are not eligible for pension? Some of them received one month's pay and then had to go on relief.

Mr. MACKENZIE (Vancouver Centre): There will be no provision here.

Mr. LOCKHART: No provision at all?

Mr. ROSS (Souris): What is the percentage of the 20,000 discharged soldiers who were actually medically unfit when accepted for service? It seems to me the percentage is very high.

Mr. RALSTON: What is my hon. friend asking?

Mr. ROSS (Souris): The percentage of men now discharged who were not medically fit when accepted.

Mr. RALSTON: I have not the figures here. I can give the number who were discharged as medically unfit after a certain time.

Mr. ROSS (Souris): Would not the minister have a record showing whether they were medically fit at the time they were accepted into the army? I mean, unfit from the standpoint of present standards.

Mr. RALSTON: The point is that they were accepted as medically fit at the time but were afterwards found to be unfit.

Mr. ROSS (Souris): How many of those are there?

Mr. RALSTON: I have not the figures here but I can make an estimate. I believe it would be about nine or ten thousand, about half. I can get the figures.

Mr. ROSS (Souris): Does not that seem a large percentage?

Mr. RALSTON: It did to me, and I have a report from the director general of medical services.

Mr. HANSON (York-Sunbury): It suggests that the initial medical examination was, I will not say negligent, but inadequate.

Mr. RALSTON: I received a report and there were a number of reasons why the initial medical examination did not detect certain disabilities. I myself did consider the percentage a rather large one. There may have been some causes for it. The reasons are given in the director general's memorandum and I shall be glad to refer to it when the war appropriation bill is before the committee.

Mr. POWER: I know something about this. I believe it would have been a crime if we had had the same number of invalids enlisted in the Canadian expeditionary force as there were in the last war, and I think the hon. member for Parkdale (Mr. Bruce) will agree with me. The matter was looked into. People with one eye and one leg often came back and received pensions at the expense of the country. Representations were made to the military medical boards and they investigated them. The medical boards in this war are one hundred per cent better than they were in the last. There were very many men who came in for a week or two and were discharged. They should not have been let in; they were waiting to be X-rayed.

Mr. HANSON (York-Sunbury): If I understand the regulations rightly, these young men who were drafted for thirty days' training—now four months—were ordered to report to the nearest medical practitioner. Every registered medical practitioner was authorized, for a small fee, a dollar I believe, to examine these young men. What is the record in this regard? I have heard of some astonishing cases. I heard of a man who was examined by a local medical doctor and who was so blind that when he came to the training centre he had to be helped out of the orderly room. That is of course an isolated case. I would not suggest for a moment that there were many such cases. Perhaps the Minister of Fisheries heard of that one.

Mr. POWER: If that is so, it is a reflection upon the medical men of Canada.

Mr. HANSON (York-Sunbury): It slams somebody, whoever it may be. I understand there is some truth in the report. The second case was a man with a club foot who was brought into the military training centre.

Mr. POWER: Under the pension act he would not get a pension for so obvious a disability.

Mr. HANSON (York-Sunbury): Is it suggested that the indiscriminate use of everybody in the medical profession in the examination of these trainees before they are brought in is a proper course to pursue? We ought to tighten up on it, and we cannot do it too soon. It costs something to transport these men to the training centre and send them home again.

Mr. POWER: The Minister of National War Services is not here, but I would ask the leader of the opposition this question: Would he choose doctors in any community, including his own?

Mr. HANSON (York-Sunbury): I am not under cross-examination. There are good doctors and poor doctors and those in between.

Mr. POWER: Would the hon. member like to choose them?

Mr. HANSON (York-Sunbury): I would certainly set up a board in every case. It is the duty of the military authorities or of the department to set up a board to ascertain who is medically fit.

Mr. POWER: So far as the military medical authorities are concerned, we chose the Canadian Medical association; but as regards examining men who came as trainees, the department did not have time to choose as between one doctor and another in any given community. I will wager that if my hon. friend had to choose doctors in Fredericton, if he were running a non-partisan government, he would be in a bit of a hole.

Mr. HANSON (York-Sunbury): I do not think so. That only proves that the whole thing was an improvisation.

Mr. RALSTON: Oh, no. My hon. friend always gets to that stage before he is through. These doctors were chosen on the recommendation of the Canadian Medical association and it was thought that it would be convenient for a man to be examined in his own home town rather than to be transported miles and then sent back. I do not know of the case the hon. member has cited, but there were cases in which there was exceedingly slipshod work.

Mr. McCANN: What was the percentage?

Mr. RALSTON: I cannot give the percentage. There were cases in which they were caught when they came to the training centre because there was a doctor there who understood more clearly the military regulations with respect to the examination of men who were to engage in military training. There is nothing slipshod about it there. The doctors were selected under the department of the Minister of National War Services. The Department of National Defence did not take the men on and had no responsibility for them until they reached the training centre. When they reached the training centre they were examined by the doctors there. Their sheets were gone over and any that indicated the necessity for further looking into the condition of a man were immediately attended to. There were men who had been passed who obviously should not have been. I have sent a note to the director general of medical services to obtain the percentage. This examination was for the benefit of the recruit himself. The selections were made partly on the basis of medical opinion, and medical opinion evidently went wrong in the selection of some of these gentlemen.

Mr. HANSON (York-Sunbury): But there was no selection. Every registered medical practitioner was qualified and authorized to make examinations. No one was selected by the department, no one was designated—

Mr. POWER: Nobody was selected by the Department of National War Services, but when they came to the training camps the men were selected by the military medical men. Of those selected by the war services—I am guessing—I would say that about ten per cent were not fit for C1—that is, the man who could walk five miles with a pack on his back.

Mr. LOCKHART: Apparently there is no provision in the act for rehabilitating such of these men as are unable to take up any vocation. The minister said that committees are being set up to try to rehabilitate them. Has he any idea when men such as four or five whom I have particularly in mind may expect some assistance in obtaining light employment so that they may help themselves and their families?

Mr. MACKENZIE (Vancouver Centre): I shall be very glad to look into the cases to which my hon. friend has referred. This resolution deals only with questions of pensions, not questions of reestablishment.

Mr. LOCKHART: Has the minister any idea when these committees will function?

Mr. MACKENZIE (Vancouver Centre): They are functioning now and have achieved some definite results. If my hon. friend will get in touch with me about the cases he has in mind I shall be glad to do what I can.

Mr. McCANN: Before there is any attempt on the part of the leader of the opposition or the minister to castigate the whole medical profession of Canada with reference to rejections for training service—

Mr. RALSTON: If my hon. friend will permit me, there was not the slightest suggestion of castigating the whole medical profession; I expressly said that there were cases in which it seemed that a slipshod examination had been made.

Mr. HANSON (York-Sunbury): Will the hon. member permit me to say the same thing? I was not castigating the whole medical profession, only some members of it.

Mr. McCANN: I think both hon. gentlemen are taking a little backwater now. Anywhere in Canada members of the medical profession who are licentiates either of the dominion council or of the council of any province are perfectly competent to make the type of examination for which the department asked. It is only a cursory examination, and they are allowed a fee of one dollar. There is no objection on the part of the medical profession to making the examination at that fee; and let me say that the medical profession have co-operated with the Department of National War Services one hundred per cent. The fact that there have been some slipshod examinations should not be taken to cast a reflection on the medical profession in general.

When these men go into camp there is a competent board that makes an examination, and they have facilities that are not extended to the ordinary practitioner when he is making his examination. They have X-ray facilities, they are called upon to make certain analyses, and it is much easier for them to pass judgment than for a medical practitioner in examining a man who comes into his office probably during office hours or any time he happens to be in town or in the vicinity. Compared with the number of rejections there have been among draftees for the United States army, the results of the medical examinations made by the profession throughout Canada are very good.

Mr. ROSS (Souris): Do I understand the minister to say that on arrival at the training depot every recruit was reexamined by an authorized medical official before commencing training?

Mr. RALSTON: I understand that is so.

Mr. GREEN: This discussion has brought out a point which is of the utmost importance in connection with Canada's war effort, namely, the treatment of the men who are being discharged from the forces. The manner in which those men have been discharged is both unfair and unwise. I do not know whether it is the fault of the Department of Pensions and National Health or of the Department of National Defence—I rather suspect the latter; or it may be because of lack of cooperation between the two. But it comes out clearly from the facts given to us to-day. The Minister of Pensions and National Health says already about 20,000 men have been discharged from the Canadian forces. He says that out of that 20,000, only 484 have received pensions and there are practically no applications pending. The Minister of National Defence says that between 9,000 and 10,000 of those 20,000 have been discharged because they were medically unfit.

Mr. RALSTON: My hon. friend must not pin me down to that, because I have said I will get exact figures.

Mr. GREEN: I do not blame the Minister of National Defence in person but I do blame the medical officers in his department.

Mr. RALSTON: I say, do not blame us on figures until we get them.

Mr. GREEN: Another figure was given by the Minister of Pensions and National Health, who said that 4,000 to 5,000 men have applied for pension and been refused. I am afraid the situation is that the Department of National Defence have been discharging these men just as fast as they can; as soon as they decide that a man will not get back to health and make a good soldier or air man or sailor he is discharged summarily from the force. That is not good enough.

Mr. RALSTON: What does my hon. friend suggest that the department should do? Keep them on?

Mr. GREEN: Now may I continue? Practically no plans have been made to aid those men in the convalescent stage. Convalescent homes should be set up in Canada, and the men should be nursed back to health instead of being thrown out on their ear. The medical examination when they were enlisted was far more severe and thorough than the examination in the last war, yet thousands of men are found unfit and simply thrown out. I know no more effective method of making communists than by treating in this way men who have enlisted for active service. Since Christmas I have had about a dozen men come to my office all of whom were treated in that way.

As a rule I do not believe in going into individual cases in the house, but there is one in Vancouver which illustrates the point so clearly that I will give both ministers the name and number so that they can check up and reply. It is the case of Private A. A. Stewart, of the army service corps, No. K 79092. This man was an imperial in the last war. He enlisted in the non-permanent active militia and went to camp with them in May 1940. In June he enlisted in the active service force. In August while on leave in Vancouver from Esquimalt he took sick, was put in the small hospital at Seaforth armouries, and then sent to Shaughnessy military hospital. There it was found he had a bad kidney which would have to be removed. He was kept in Shaughnessy hospital three months while letters passed and attempts were made to get instructions from a department at Ottawa, presumably the Department of National Defence, as to what should be done—whether or not they could remove the infected kidney in that hospital. Finally word came through that he was to be discharged from the army. The doctors in Shaughnessy hospital felt so badly about the case that they arranged for the man to be taken into the general hospital in Vancouver and given his operation.

Mr. MACKENZIE (Vancouver Centre): It was arranged from here.

Mr. GREEN: At any rate even the departmental doctors in Vancouver were greatly exercised about the case. The man was turned out of Shaughnessy hospital in that condition on November 2, as a walking case. Fortunately he was able to get a lift down to the general hospital, where he was put in the relief ward with orientals and people on relief although he was in the uniform of the Canadian active service force. Two days later he was discharged from the Canadian army, and of course the general hospital authorities had to take care of that operation. When he was discharged the allowances to his wife and children were cut off.

This sort of thing must be stopped. As I have said, in my opinion the Minister of National Defence personally is not to blame; I know he is just as sympathetic as any of the rest of us. But apparently there is a policy in the medical services at headquarters here that is entirely too hardhearted and unreasonable under existing conditions. Provision should be made so that these men who have been willing to offer their lives could be nursed back to health so far as that may be possible, by some government department. Every man who is discharged as medically unfit should be transferred to the Department of Pensions and National Health; his pay and all his allowances should be continued until he has received treatment and has had a chance to recover, or until his claim for pension has been ruled upon by the pension commission, which I understand takes at least six weeks and, in many instances much longer.

Mr. HOWDEN: How long was this man in the army?

Mr. GREEN: This man enlisted in the active service force in June. There is another feature to the question. When a man who has been discharged as medically unfit tries to get a job, his prospective employer asks, "Why were you discharged from the army?" The answer is, "I was medically unfit"; and the result is that this man simply cannot get work. The whole question of the treatment of these discharged men should be looked into by the government immediately, and steps should be taken to see that they are dealt with fairly.

Mr. MACKENZIE (Vancouver Centre): The hon. member for Vancouver South (Mr. Green) referred to a particular case. I think in fairness he might have concluded the record of that case, which is that as soon as the matter was brought to my personal attention I took it up with the medical services, and it was adjusted immediately on the basis of fairness and equity.

Someone has referred to the number of discharges. I should like to give the figures, and I hope the Minister of National Defence (Mr. Ralston) will forgive me for having obtained this information from his department.

Out of a total of 18,109 discharges, 7,244 have served for less than ninety days and 14,147 have served for less than six months.

Out of the total discharges, only 3,133 were discharged as medically unfit according to existing standards after more than six months' service, and only 608 of these have had more than 365 days' service. Of the total, 4,067 have been discharged as unlikely to become efficient soldiers or because they failed to qualify, and of these a great majority had under six months' service. There are only 909 with overseas service, and of these, only 246 have had more than one year's service.

I have these figures broken down into military districts. The reasons for discharge are in five groups, as follows:

(A) Medically unfit.

(B) Under age.
Irregularly enlisted.
False answer on attestation.
Attestation not approved (K.R.O. 371 (1)).
Excessive dependents.

(C) Misconduct.
Civil conviction.
Refusal to sign forms.
Refused vaccination or inoculation.

(D) Return to civil employment.
Compassionate grounds.
Return to N.P.A.M. status.
To non-effective list.
Resigned commission.
To corps reserve or permitted to retire.
Relieved from special duty or appointment at own request.
Ceases to be employed or surplus to establishment.

(E) Appointed commission other forces.
To enlist other forces.

(F) Not likely to become efficient.
Failed to qualify.

Mr. BROOKS: Could the minister give us the number under each of these categories?

Mr. MACKENZIE (Vancouver Centre): With pleasure. The figures are as follows:

Period of service—	
Less than 30 days	2,059
Less than 90 days	5,185
Less than 183 days	6,905
Less than 365 days	3,219
More than 365 days	741

Under category (A), the first one I mentioned, the figures are as follows:

Period of service—	
Less than 30 days	876
Less than 90 days	2,568
Less than 183 days	4,252
Less than 365 days	2,525
More than 365 days	608
Total	10,829

Does my hon. friend want the figures broken down by military districts?

Mr. BROOKS: No. All those not likely to become efficient soldiers would not necessarily be medically unfit?

Mr. MACKENZIE (Vancouver Centre): No; those are separate categories. Under category (B) the number is 1,073, and under category (C) it is 520.

Mr. REID: Perhaps the minister could put the whole table on *Hansard*.

Mr. MACKENZIE (Vancouver Centre): The remaining figures are: category (D), 1,289; category (E), 331; category (F), 4,067. The grand total amounts to 18,109.

Mr. ROSS (Souris): I think this statement by the minister is further proof that the medical inspection has been terribly slack. The government has had the experience of the last war to guide it, and the fact that the percentage is still as large as has been stated by the minister is ample proof that there has been carelessness somewhere in connection with these medical examinations.

Further, Mr. Chairman, I think this is very unfair to many municipalities throughout the country. As hon. members know, the Minister of Labour has informed the provinces that after the end of this month the federal government will make no further contribution towards the cost of relief. These men, as the previous speaker pointed out, are under a great handicap in seeking employment. They become a direct charge on the municipalities, which is most unfair both to the municipalities and to the discharged soldiers. I would strongly urge upon the government, in the first place, that they tighten up their medical inspection and, following that, that some system of convalescent care should be developed under which these men would be nursed back to health when they are discharged as medically unfit. I think it is the duty of the federal government to do everything in its power for these people who find themselves in this position.

Mr. MACKENZIE (Vancouver Centre): In the three services: the total number of applications for enlistment in the army was 192,415. Of these, 28,316 were rejected as being permanently unfit and 7,949 as being temporarily unfit, a total of 36,265. These combined figures represent a ratio of 188·47 per thousand. Subsequent to attestation, 3,492 were rejected up to June 1, 1940. This would represent 1·2 per cent of the whole, which, added to the 18·8 per cent before attestation, would amount to 20 per cent.

In the air force the total number of examinations made in twenty recruiting centres from August 1 to September 30, 1940, was 21,311. As a result of these examinations, 5,244 were rejected, or 24·6 per cent. These are the

comparative figures. In the navy there were 149 rejected after attestation as medically unfit, or 12·4 per thousand.

Mr. McCANN: Is it not a fact that applicants for both the navy and the air force are examined by a board?

Mr. MACKENZIE (Vanceuvor Centre): Yes.

Mr. McCANN: The only applicants who are examined by individual doctors are those for the training camps. I think that should be understood. If they were rejected, that was done by a board; and surely when a board of three medical men is set up, it is an added protection both to the department and to the individual.

While I am on my feet I should like to ask the minister one other question. In the changes in the act is it proposed that a pensioner may be able to avail himself of local hospital facilities instead of having to go all the way to what we might call a regional hospital, as is the case under the present system? My understanding is that when a pensioner develops some disability that requires hospital treatment, he is not entitled to enter a local hospital and receive treatment at the expense of the department; he must proceed to a regional hospital—in the Ottawa valley it would be to either of the hospitals here in Ottawa—where he receives treatment the cost of which is paid by the department. I would suggest, as I have suggested previously, that the law could well be changed to permit pensioners to avail themselves of the privilege of taking treatment in any of the modern hospitals which now exist in a great many of the smaller communities, provided the pensioners can get competent hospitalization and treatment in their own localities.

Mr. MACKENZIE (Vancouver Centre): There is no such provision in the proposed amendments, but I will see that the matter is brought to the attention of the committee.

Mr. NEILL: Would the Minister of National Defence be kind enough to waive etiquette and answer a question which the Minister of Pensions and National Health says does not come under his department; that is, why the dependent mother gets only $20 while the dependent wife gets $35?

Mr. RALSTON: I cannot answer my hon. friend with regard to the amount. I may say however that the whole matter was dealt with by a committee at the time provision was made for dependents' allowances. The matter was gone into last year, as hon. members will recall. The situation is this:

[Mr. I. A. Mackenzie.]

A mother has never been recognized as being entitled to pension or allowance, as of right. That principle begins away back with the pensions connected with the last war. The provision then placed in the Pension Act, and the provision there to-day, is that pension is allowed only if it is shown that the soldier was supporting his parents, and then it is allowed only to a limited amount.

A wife is entitled to pension, as of right. Even if she has a private fortune in her own right, she is entitled to pension. The mother is not so entitled. A case of need and the fact that the soldier has been supporting the parents must be shown, in order that the parents may qualify. That applies to the father and to the mother.

At the time of the last war there was no provision whatever for pensions to parents. Assistance given to parents was taken care of through the patriotic fund. Perhaps I should not put it that strongly, because as I speak it comes to me there was one provision respecting a parent, and I would have to look that up. Generally speaking however the patriotic fund was the source looked to.

In this war, under the provision for dependents' allowances we have introduced the same sort of provision which appears in the Pension Act, namely provision for a parent in need. That need must be shown, and, if shown, the parent who has been supported by a soldier is entitled to a limited amount. The amount is less than the amount allowed a wife. I cannot tell my hon. friend why that is so, except that possibly it was felt that primarily there was no entitlement at all, and a limited amount was regarded as all the country should undertake. It is obvious to anyone who looks at our pension laws that a parent is not considered in the same position as a wife, and has never been so regarded. That principle is the one which is carried into the dependents' allowance regulations.

As I have said, the amount was laid down by the committee which dealt with the whole matter of dependents' allowances about a year and a half ago, and the amount was adopted at that time. The matter was fully discussed in the house. At that time the question did come up as to whether a parent should not be entitled to some allowance, when the son was liable for that parent's support and was unable to contribute because of circumstances beyond the parent's control. An amendment was made to make provision for such a case. The whole distinction is that one is in the nature of a compassionate allowance, and the other is an allowance as of right.

Mr. HOMUTH: The fact of the matter is that in this war we have done away with the patriotic fund. It does not exist, as it did at the time of the last war.

Mr. RALSTON: That is correct.

Mr. HOMUTH: I want to associate myself with the hon. member for Renfrew South. In the last two years we have had many cases such as those cited by him. The nearest military hospital to my constituency is in London. There have been cases where soldiers have become suddenly ill and have had to have operations immediately. The doctor in charge could not wait until he got that soldier admitted to Westminster hospital. In such circumstances the patients have been taken to local hospitals, and because of that fact have been refused hospitalization.

Mr. RALSTON: Is my hon. friend right about that? He is speaking about a soldier who is actually serving?

Mr. HOMUTH: A soldier of the last war.

Mr. RALSTON: Oh, I misunderstood. The Westminster hospital is that of the Department of Pensions.

Mr. HOMUTH: Yes. This is a serious matter, and much hardship has been caused because of the condition I have described. I suggest the committee might very well recommend that if in the opinion of a doctor from the Department of Pensions and National Health a man should be taken to a local hospital, he might be so taken and the doctor's advice accepted.

Mr. PERLEY: In the first instance, when the department was calling up trainees, did it not send out a notice that such trainees were to go to the nearest practitioners to receive preliminary examination? Were not those practitioners or doctors provided with certain forms to be filled out? Then did not the trainee take the form to the training centre or to the camp when he came before the board. If after that procedure the trainee developed pneumonia and died, or his death resulted from any other injury or disease, what claim, if any, would his parents have upon the department? Possibly we should not discuss dependents' allowances on this resolution.

Mr. RALSTON: I have no objection. Perhaps I am treading on the ground which should be covered by my colleague the Minister of Pensions nad National Health, but I might reply in regard to such a case as that described by my hon. friend, in which a soldier takes cold, or incurs some disability during his service at a training centre—

Mr. PERLEY: After he has passed the preliminary examination.

Mr. RALSTON: This is a case which has to be dealt with by the pension commission. But of course if the soldier can possibly be made well, we endeavour to do it. I do not think the hon. member for Vancouver South was quite fair when he said, to use his own expression, that the country would just throw him out on his ear. The department is just as anxious as anybody else to see to it that the man is restored to health if it is possible to do so. But naturally the Department of National Defence cannot take the responsibility if it is shown that the man has no chance of qualifying within the physical qualifications set out in categories A and B. After that he has to go to the Department of Pensions and National Health, if he has a claim that his disability was "attributable to service as such". Those are the words of the act. The answer to my hon. friend, in short, is that the board of pension commissioners and nobody else—I say this advisedly—can decide definitely whether a case is one in which pension should be allowed.

Mr. POULIOT: If we look at the estimates for the Department of Pensions and National Health we see that the amount for the pensions branch has decreased from $56,378,553 to $53,921,407. I presume that reduction is due to the fact that many veterans of the world war of 1914-18 have been enlisting in this war. But what has surprised me very much since I have been a member of the House of Commons is that no check-up has been made by the department of the pensions granted throughout this country. I know of cases where soldiers who were unworthy have received pensions, and other cases of well-deserving veterans who did not receive pensions. For a time I complained of the board of pension commissioners, saying that the members of it were not qualified to sit on the board because they had had no medical experience. The answer given to me by the department was that they had fine military records. That seemed to cover everything. One of them is a high-ranking officer, a very fine man—and the Minister of National Defence may listen to me; I am not making what he calls an attack on him. I have nothing to say against this man personally, but I do say he is not qualified to sit on the board of pension commissioners because he knows nothing about medicine.

I shall refer to some specific cases. There is the case of regimental number 897, one of the first to enlist in the last war. He was a husky fellow, a lumberjack, well-built

physically. He looked quite strong. He spent four or five years over there sleeping in the mud and facing all sorts of difficulties. No one can say that a man who lived that sort of life for four or five years would be normal physically when he came back. Such a case is worthy of consideration. I have another case of a man who enlisted in the first year of the last war. He was a barber. He received a bullet through his right hand and was granted $100. I made many complaints for this man; I have a thick file of correspondence but that is all he got.

On the other hand, there are many men who received pensions and who do not deserve them. There should be a check-up. I admit that this would be a most unpopular measure, but it is necessary. This country is not rich enough to be able to afford to pay pensions to men who do not deserve them, when there are, on the other hand, deserving cases in which pensions should be granted.

I have many other cases about which I have written to the Department of National Defence. I know of one young man who enlisted voluntarily and who, I believe, went to Valcartier. Last fall he suffered an attack of bronchial pneumonia. He did not receive the attention he should have received, according to what a medical doctor, a member of the department, said in Quebec city. Since Christmas I have been corresponding with the Department of National Defence in an effort to get some satisfactory answer.

This man has been sent from pillar to post. He was not looked after as he should have been, and I am always told that the Department of National Defence has received no answer from the Department of Pensions and National Health. I do not blame the minister for this; I blame the Tory asses who are under him and who will not give a satisfactory answer when a soldier is suffering. That is shameful. I do not want to see anyone suffer unjustly, especially a soldier who has defended or is defending this country.

This is my first point. I have never written the minister about this, but as soon as I am through I shall send him the name of this man and I want an answer to-morrow. I want to know who is guilty in this business. Of course, sometimes this chamber is a pink tearoom, we cannot say anything, we have no freedom of speech. We are making what is called an "attack" on the great medical geniuses of the Department of Pensions and National Health. Most of them are asses, yes, asses; a-s-s-e-s. No satisfaction is given to the soldier by these people who get such fat salaries. It is a great scandal and I hope the minister will clean out this Augean stable.

[Mr. Pouliot.]

I mean the Department of Pensions and National Health. The manure has become health. It is a shame, and no one can defend it. I shall have more to say about this in due course and will give names. I suppose no answer will be given, or it will be said that the industrious leaders, the asses, have decided that this fellow was not deserving of a pension. I want to speak freely and there is no one in this committee to prevent me from saying what I am here to say. My people are satisfied with me. They are proud of me and they want justice.

There is something else, perhaps on a different line. This has to do with certain absurdities in the statute, one being the preference granted, not only to the returned men who served in the Canadian forces but to those who served in the allied armies, that is, the armies of Italy, Japan, the United States, France and so on. This preference is granted to those who served in the forces of those countries which signed the Versailles treaty on the same side as Great Britain. With one exception, Canada is the only country which has granted such a preference. The only exception is the state of Maine in the United States, where certain preference was given to Canadian veterans. But that preference was repealed long ago; it exists no more.

Some years ago I was the sponsor of a bill to repeal the "allied preference" given by Canada. I did not insist upon the bill being considered because a member of the government told me that it was the intention of the government to dispense with this so-called preference. But what happened? A civil service committee sat during one whole session and one of the conclusions reached was that this preference should be taken away from the veterans of the allied armies, if they had not resided in Canada before the war of 1914-18. I see in this committee certain members who sat on that committee and they will remember that no action was taken. Another committee met the following year and made exactly the same recommendation, but that recommendation is still on the shelf exposed to dust or moisture, depending upon whether the weather is dry or damp. That is what happened.

The first thing to be done is to repeal this preference. But there is another thing also. Why was this preference granted to the returned men of the last war? It was granted because the Borden-Bennett government did not keep their promises to the soldiers. A lot of foolish promises were made by Sir Robert Borden and his colleagues to the returned men. They were told

that when they came back they would be given everything, the country would be theirs. These promises were not kept, so that a preference in the civil service was given to the returned men. If there is any member of this committee who does not know what this means, I will explain it to him.

According to the statute, in applying for a civil service position the returned man is given a preference over the civilian provided that he has the necessary minimum marks to pass the examination. There is a second preference given which was not asked for by the returned men but which was placed upon the statute book by the profiteers of the last union government who wanted to sell their bacon overseas. This is a preference to the disabled man. This preference was supposed to be given to men who were wounded, but that is not the meaning which has been given to the word "disabled." It is taken to mean a man who has a pension; therefore, a man who was not wounded but who has a pension is given priority or preference over the man who was wounded but who has not been able to secure a pension. It is really a double preference. The man with a pension has a preference over the other returned men provided he has the necessary minimum marks.

In that matter, too, all governments were afraid to take action. They left it at that, although the standard of the civil service has been lowered because of the fact that in several cases the very best men available were not accepted and the positions were given to returned men with minimum marks.

Mr. CRUICKSHANK: Oh, you are talking nonsense.

Mr. POULIOT: That is all right, but I want my hon. friend to listen. I am not speaking of him, and I should like him to listen and pass judgment after I am through. He may say anything. Everybody is accustomed to his outbursts, but I should like him to read the law, and if he does not understand it, I shall be glad to put my finger on it, or he can put his nose on it and smell it.

Mr. CRUICKSHANK: Are you a returned man?

Mr. POULIOT: No, but I am working for all, and I do not want any interruptions. If anybody wants to shout back at me, Mr. Chairman, will you please tell him to wait until I am through and then we shall all be charmed to hear his eloquence.

Mr. CRUICKSHANK: I shall be delighted.

Mr. POULIOT: This is a most important question, Mr. Chairman. I am not attacking the returned men, I am not attacking those who have been wounded—not at all. I am simply placing facts before the committee on which I as a member of parliament want action.

The committee probably will agree with me that the preference granted to the soldiers of the allied armies is ridiculous. It was a gesture of fake patriotism, to make us look more patriotic than even the king himself. That question I leave for the moment.

There is a second military preference which was granted to the soldiers, who were promised a lot by the government. It was awarded to them so that their military merit should gain something for them in a very different field. I have no objection to a pension being granted according to the law to any soldier who deserves it according to the law, but I do not see why some men should be discriminated against and others given better chances. I think we should get the very best, the most able men in the civil service, and I want to see equality and everyone treated with justice. I do not want to deprive any soldier of his rights, I do not want to deprive any veteran of his legitimate rights, whether the war in which he fought was the Boer war or the great war, or any other war. I repeat, I do not want that at all. But what I do want is justice in every department, and when there is an injustice somewhere and I know it, I shall denounce it bitterly so that the wrong can be redressed as soon as possible. I am not afraid of anyone. God is my master, and I am afraid of him and nobody else.

The Borden government promised everything to the returned men, but they did not deliver the goods. Afterwards they introduced the military preference in civil service appointments, and now it works against the sons of the very men who served in the war of 1914-18. My hon. friend the member for Fraser Valley (Mr. Cruickshank) will probably meet many of his constituents who will complain of the fact that although they fought in the great war, their children are now deprived of appointment to the civil service just on account of legislation that was passed in 1919 by the union government.

But there is something else. We now have conscription for youth. In the Civil Service Act the war is defined as the war of 1914-18, the great war, and the preference there granted to returned soldiers means that a young man who is fully qualified for appointment to the civil service and has passed the necessary examination, even though he be the son of a returned man and has obtained the highest marks in the examination, is completely deprived of the right to be appointed to a

position in the civil service if a returned man, who is much older, has secured the minimum number of marks. And no one knows how many classes of young men will be called up during this war. Conscription applies to all. Those who are exempted are exempted because they are medically unfit, or because, in a very few cases, they are required in industry necessary to winning the war. Therefore all our young men are coming under the same military law, and I do not see why now, twenty-two and a half years after the conclusion of the great war, we should maintain this preference in the Civil Service Act which is applicable only to the veterans of the last great war. I cannot understand why that principle should be maintained. If a young man is wounded in this war, he enjoys no preference in appointment to the civil service. If a young man is rejected because he is not physically fit, does that mean that he will be deprived of equality of status in appointments by the civil service commission?

It is not my duty to decide this question, but it seems to me that it will be the duty of the pensions committee to study these questions from all angles with a view to seeing whether it is not time now, the veterans having enjoyed this preference for twenty-two and a half years, that the preference should be withdrawn so that the civil service may be improved by the appointment of the very best men. When I asked Mr. Bland, the chairman of the civil service commission, if the standard of the civil service was not lowered by the fact that at times appointments were made of men who had obtained the minimum number of marks instead of the maximum, his answer was in the affirmative. And the truth is self-evident. I hope that the present government and this House of Commons will not repeat the folly of the last government and decide everything upon sentiment. You must decide it upon reason. You must not discriminate against anybody. Give everybody in this country a fair chance. I leave it at that, for the members of the committee to discuss this matter thoroughly when the time comes.

Mr. MACKENZIE (Vancouver Centre): Just one or two references to the statement which has been made by the hon. member for Témiscouata (Mr. Pouliot). In the first place we are supposed to be discussing amendments to the Pension Act, which has nothing to do with the civil service preference for ex-service men. In the second place it is within the knowledge of every member that the present legislation is the result of the conjoint and concerted efforts of all parties in the house over a period of more than twenty years.

[Mr. Pouliot.]

There has never been the slightest trace of partisan feeling, so far as my knowledge goes—and I know something about it—in the several pension committees that have sat from 1919 down to the present time. After a study of pension legislation in other countries I am convinced that we have in Canada, with the exception of one or two anomalies here and there, the finest pension legislation in the British empire and possibly in the whole world. That has been the result of the unfettered judgment and hard application of hon. members of this house in previous years working in committee, just as this committee will be working for the next few weeks.

In regard to the gentlemen administering the act, they are as fine a body as you will find in the Dominion of Canada, and I personally resent on their behalf any attack upon their integrity, their motives or their ability. Derogatory language was used also with reference to some of the medical officers connected with the administration of pensions. In my judgment such remarks do not worthily reflect upon anyone who utters them. These men belong to one of the noblest professions in the world and they are doing their best to serve the department and the country, as we in this chamber are endeavouring to serve the country. I have found on their part nothing but a desire to render the best service possible and I absolutely repudiate any suggestion of unfairness or of inability in the administration of the work which has been entrusted to them.

I will not discuss at this stage the question of preferences. That question can be discussed if the committee deals with the matter of rehabilitation. I suggest that we should not be given to extreme or extravagant language at this juncture in view of the fact that a committee representing every group in the house will have an opportunity during the next few weeks to study the whole question of pension legislation, veterans' allowances, administration and general problems of rehabilitation.

Mr. MacNICOL: I am very glad indeed to hear the closing remarks of the minister and the assurance that the purpose of the committee is to study all angles in connection with any changes that may be contemplated in the pension act. What I rose to say is this. When I had first heard that the Pension Act was to be amended I had hoped that it would embrace something with regard to the widening of the regulations pertaining to the widows of deceased pensioners. The first part of the resolution reads:

That it is expedient to amend the Pension Act to make its provisions applicable to certain members of the Canadian forces serving in the present war and to their dependents.

I especially wish to direct my remarks to the words "their dependents". Under the present act, if a pensioner receives less than 50 per cent pension and he dies, his widow generally speaking receives nothing. There are some regulations with regard to temporary assistance but she gets nothing in particular. I wonder if such a matter will come up before the pensions committee. If it does I should like to appear and to present arguments in favour of widening the regulations under the act somewhat after the manner of Australia or the United States. In Australia, I believe, when a pensioner dies his widow receives the pension that he enjoyed in his lifetime. If he received ten or fifteen per cent the widow gets the same. If such a matter does come before the committee, then I am satisfied with the resolution and I want to support it.

I should like to ally myself with the remarks made by the hon. member for Vancouver South (Mr. Green). In the riding I represent there are as many enlistments as there are in any other constituency, if not more. In the great war the part of the city of Toronto which I represent was one hundred per cent old country stock, and these men enlisted en masse. Many regiments were raised there. During the last twenty years, therefore, I have had a good deal to do with pension matters relating to soldiers, and since the outbreak of the present war I have come in contact pretty much with the same conditions as have been brought to the notice of the hon. member for Vancouver South. Soldiers not long in the army have been discharged for one reason or another—illness and so forth—and most of them are out of work. On telephoning headquarters at 159 Bay street I have been told on numerous occasions to send to headquarters men who had been discharged and were out of work, and I gather that the department is making an effort to rehabilitate discharged soldiers. I hope so. I trust that anything the department can do in that regard will be done. One man I sent to an employer to look for work was not taken on because he had been discharged from the army as medically unfit. I have every confidence in the minister and I know that he will do what he can towards rehabilitating men in jobs and making adequate provision for medical attention so as to enable them to be rehabilitated.

I wish to associate myself with what the minister has said with regard to the pension department. As I said, during the last twenty years I have had to do with thousands of cases and I have nothing but praise for the administration of the pension department. I have found the present head, General McDonald, most sympathetic, most considerate and most courteous. I have nothing but praise for him and no complaints. I have also come in contact with many other members of the department; at least, I believe I have had dealings with as many of them as any other hon. member has had. I can say the same for them as I do for the head. I have taken every opportunity that has presented itself to say that, so far as I can see, the Canadian Department of Pensions is trying to do the best it can under the regulations. If the regulations are not wide enough that is the fault of the House of Commons, and I hope that the committee to be set up will work out something along the line I have suggested, so that there will be more consideration for widows whose husbands in their lifetime received less than fifty per cent. I trust also that something will be done with regard to rehabilitation and medical attention for those who are being discharged.

Mr. POULIOT: I hope that every official of the pensions department will have the words of the Minister of Pensions and of the hon. member for Davenport (Mr. MacNicol) illuminated in gold on parchment and framed, and hang it in the living room for the edification of posterity, so that it will be known that on this 3rd day of March they have been highly praised by the Minister of Pensions and at the same time by our genial and smiling friend the hon. member for Davenport.

Mr. HOWDEN: In connection with pension legislation there are one or two points which I think are worthy of consideration. It has been my lot for the last fifteen years to be a medical doctor and federal representative at the same time, and I can assure the hon. member for Davenport that if a great many persons have interviewed him with regard to pension troubles, I have been interviewed too. I agree with the hon. member for Témiscouata in this, that I have seen a great many men who deserved pensions and who did not get them, while I have seen quite a number who did not and do not deserve pensions who still have them. But I am not going to discuss that now because I fancy it is hopeless. We have to let it go.

There is this point, however. At this late date there are still men who were in the great war, who served faithfully and were not awarded pensions because apparently they were not severely wounded or anything of the kind. But they are in a deplorable condition, and only pensioners are entitled to consideration from the pension hospitals. Where these men are broken down and in failing health, whether as a result of their service overseas or not, the mere fact that they went overseas and offered their service at the risk of their lives entitles them to consideration

at the present time from the pension hospitals. We see these men all the time; they are desperately in need of hospital treatment; they are honest; they are not drunkards; there is nothing against them morally; but their health is broken; they are eking out a miserable existence, and they get no help from the government in the way of hospital treatment.

Another point worthy of consideration by the department is that a pensioner whose pension is in any way adequate to maintain his family and himself while he lives, leaves his wife without anything when he dies, because then the pension ends. If the family have a hard time to get along while he lives, they have a much harder time after his death, with no pension.

These two points ought to be seriously considered by this committee; namely, pensions for men who have done good service overseas but are not able to maintain themselves, and pensions for widows of pensioners.

Mr. ROSS (St. Paul's): First, I wish to say a word with regard to non-pensioned widows. The pensionable disability necessary now to entitle the widow to a pension is 50 per cent. I would ask the committee and the minister to consider lowering that still further. I do not think it would cost the country a great deal. We must remember that these women took care of these men when they were sick and had a very small pension, and just because the disability was not over 50 per cent they do not get anything. I think that extension could quite easily be lowered to, say 10 per cent pensionable disability, or something around that, because they are all getting older and no doubt the worry they have had in connection with taking care of these men has done much to age them. I hope the committee will take that into consideration.

I have received from the department nothing but the greatest courtesy and consideration in connection with any pension case with which I have had to do. General McDonald has been most courteous, as has the former minister and the present minister also. I have many of these old soldiers in my riding and it is a pleasure to look after them when there is such a department to deal with. The pension advocates at Christie street hospital also deserve a word; they are fine men and very sympathetic.

With regard to the case of the disabled man, I understand the Department of National Defence turns these men, all the seriously ill men of the active service forces, over to the Department of Pensions and National Health for treatment. That department proceeds with their treatment, and the men are not discharged from the departmental hospital until the treatment is complete and they need no further hospital treatment. But the point is, are these men discharged from the army; are they in hospital without pay and their dependents without pay? There is a difference between the serving officer or soldier receiving treatment and one retired or discharged to the Department of Pensions and National Health for treatment; the former is in receipt of pay while the latter, in certain circumstances, might not be. No man should be discharged from the army while he is undergoing treatment. His family is dependent upon him; he must have something to support them.

It must be remembered that the treatment given is good treatment and tends to lower his degree of pensionable disability; that means that by good care he may be discharged perfectly well or so improved in health that his ultimate pension will be much lower. Some provision certainly ought to be made for his family while that is taking place. Then, when he gets out of hospital, he is convalescent or a walking case; he is not fit to go right back to work. It is a disgrace if we send that man out with just a suit of clothes; he should be continued on pay for some time until he is able to get a job. One week's pay is not sufficient; he should receive at least a month's pay. Then, as the minister said, certain committees are being set up to try to take care of him after his discharge. I hope these matters will be looked into and have the minister's favourable consideration.

Mr. CRUICKSHANK: I would not want the committee to think that the opinion expressed by the hon. member for Témiscouata is that of hon. members from British Columbia or of the returned soldier members. He dealt with the civil service but forgot to mention a man called Bennett. I hope every returned soldier member of this committee will insist that the preference to returned soldiers in the civil service be maintained. I would go further and have it increased. I assure the hon. member for Témiscouata that, instead of decreasing the value of the civil service, the fact that there are so many returned soldiers in it has been a good thing for Canada, and it would be better if we had more.

I congratulate the government upon having set up this committee to study this problem. On this committee are many returned soldiers, irrespective of party, and surely they should know what the veterans of the last war or the

next war need. I am not depreciating the sincerity of any hon. member, but that is only common sense. Surely medical men know more about medical matters, and we returned men should know more about the mistakes made after the last war. I am not so much interested in whether they were made by Sir Robert Borden or anyone else, so long as we profit by experience and do not make them again.

I must say that in my experience the officials at the Department of Pensions have always been very courteous and fair to me. But I do not agree with the act as it exists to-day, I do not think any returned soldier can. Every member of this house should appear before that committee, because we all know of inequalities. I remember that a day or two before the 1935 election the present Minister of Pensions and National Health appeared on the platform with a famous Canadian winner of the Victoria Cross, and they were both absolutely in favour of giving every returned soldier hospitalization. Of course I realize that it is much easier to say such things two days before an election than two days after, but I sincerely hope the minister is still of that opinion. No soldier, whether wounded or not, could possibly serve overseas either in the last war or in this war without suffering some physical disability, and I believe that every veteran should be entitled to hospitalization. A great many have never applied for pension and never will, but surely they should be entitled to hospitalization, and certainly they are not getting it to-day.

The act has done a great deal for the returned man, but it does not go far enough. A widow's pension is cut off when her child reaches sixteen years of age. Where a woman with a child seventeen years old can get a job in British Columbia is something I do not know. I do not know if there has been any recent change, but three weeks ago men were being discharged from these compulsory training camps suffering from pneumonia, and had to be cared for by private citizens immediately on their discharge. That is not good enough; there can be no excuse for that sort of thing being done by this or any other government. My personal opinion is that at the Vernon camp they have no medical men; they have only a bunch of veterinarians. One man at Vernon camp was in hospital for twenty-two days, and the day he was discharged he went to bed with pneumonia. When that sort of thing happens, it is time the man in charge of that camp should be interned. That is what should happen to him. We must accept responsibility for these men. Just in closing, I want to tell the hon. member for Témiscouata that I hope every returned soldier in this house will take good care to see that the preference is not taken away but rather increased, if anything.

Mr. GREEN: The resolution states that the benefits of the act will be extended to certain persons serving in the forces of the United Kingdom. Just what classes is that meant to cover? For example, would it cover Canadians who enlist in the Royal Air Force?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GREEN: Or Canadians who enlist in the Royal Navy?

Mr. MACKENZIE (Vancouver Centre): Yes; all Canadians serving with the imperial forces.

Mr. GREEN: Would it cover any firemen who might be sent over to London, let us say?

Mr. MACKENZIE (Vancouver Centre): That has not been decided as yet in connection with this legislation. That would be a question for future consideration.

Mr. GREEN: The other cases I have mentioned would be covered?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GREEN: Is the government giving any consideration to establishing convalescent homes or hospitals for unfit members of the active service force before they are discharged?

Mr. RALSTON: Yes; some convalescent homes have been established. Of course my hon. friend understands that convalescent homes operated by the army medical services are for purposes of convalescence, to bring a soldier back to the physical condition which will permit him to reenlist in the army. They are not for the purpose of improving the health of a soldier if it is clear that he cannot again qualify physically. If he is in this position, of course he comes under the Department of Pensions and National Health.

Mr. GREEN: Between the two departments would it not be wise to have some provision under which, before these men were discharged, they would be cared for and nursed back to health as far as that was humanly possible?

Mr. RALSTON: All I want to say is that as far as the Department of National Defence is concerned there is no desire whatever to draw a sharp line, except to have the house and the country realize that our job is to deal with those who are fit to take their places in the armed forces. When men are disabled

and are not likely to be able to qualify physically in future, we maintain the closest liaison with the Department of Pensions and National Health. When such a man is discharged, an officer is present for the purpose of instructing that man as to what he should do and to whom he should apply, if it happens to be a case that is not to be sent to hospital; otherwise he goes to a pensions and national health hospital, where he is cared for. Under the provision made in order to help bridge the gap, notwithstanding the fact the soldier has been discharged he still receives thirty days' pay.

Mr. GREEN: I suggest to the government in all seriousness that it would be well to look into the situation and see if some further arrangement could not be made in order that these men may be restored to health before they are discharged from the army. At the moment, in many instances they are leaving the army in poor physical condition and are forced on relief. I have had such cases happen in Vancouver time and again.

Mr. RALSTON: My hon. friend and I might as well understand each other. My hon. friend says we should see that they are restored to health before they are discharged from the army. I realize the difficulties which confront a man after he has served in the army, and I do not make this statement harshly at all, but I do not think it is the duty of the army medical services to look after a man after it has been demonstrated that he cannot be restored to the physical condition which will enable him to serve. That is properly the function of the Department of Pensions and National Health, which looks after the ex-service men. The service men are looked after by the army hospitals. I will agree with my hon. friend that between the two departments all cases should be covered, and I will be only too happy to maintain a close liaison in order to see that the man does not fall between the two departments. I want to add that long before my hon. friend spoke—and I know my hon. friend will believe this—my colleague and I had many conferences with a committee, which has already been set up, in an endeavour to establish the best possible working plan in order that the soldier may be cared for at all stages.

At the same time the relative responsibilities of the two departments are recognized. It is no use for me to try to run the Department of Pensions and National Health. It is no use for me to run hospitals for the purpose of helping to restore men to a better state of health if they are not going to be soldiers in the end. My hon. friend will understand that. All the facilities of the medical services of the army are required in connection with men who will be fit for active service; and when we have a Department of Pensions and National Health with hospitals and medical officers all over this country, it does seem to me that we have to look to that department to take the responsibility for those men. But with regard to getting the soldier into one of these institutions, assisting him to get there, advising him as to how to get there and seeing that he is not harshly treated in any way, I am one hundred per cent with my hon. friend. I can assure him that anything that has not been done in that respect will be remedied, if I can possibly do so. I think, however, there is less than he believes in the way of harshness as far as the Department of National Defence is concerned. If we believe a man is going to be fit in the end, we will treat him; we will provide convalescent homes and do anything else that may be necessary. If it is demonstrated that he is not going to be fit, then it seems to me, from the point of view of both the man and the country, that there is no use in keeping him on the strength of the army. He does not belong there. He becomes an ex-service man, entitled to the protection and the benefits to which ex-service men are entitled under the regulations.

Mr. GREEN: It does not make much difference which department is responsible, as long as the responsibility lies somewhere.

Mr. RALSTON: It makes a difference to me.

Mr. GREEN: That may be, but from the point of view of the Canadian people it does not make much difference which department has to do the work. These men certainly should be given as much treatment as possible before they are sent back to civilian life.

Mr. RALSTON: Now my hon. friend has said something.

Mr. GREEN: That is really what I have been trying to say all the way through. I think the whole governmental policy in that regard should be reconsidered, because the present practice is unfair, and I am afraid it is going to do a great deal to discourage recruiting.

Mr. HOWDEN: Would such ex-service man be entitled to treatment in a pension hospital, without himself having a pension?

Mr. MACKENZIE (Vancouver Centre): In many instances remedial treatment has been given for many weeks, with the definite purpose of reconditioning men who are medically

unfit. My hon. friend's point is that this treatment should be extended, and made more comprehensive. That might well be a matter for discussion by the committee. But a great deal is now being done in the direction mentioned by the hon. member for Vancouver South.

Mr. GLADSTONE: I should like to pursue further a question asked by the hon. member for Vancouver South with regard to young Canadians who enlisted in the British forces. I have in mind the case of a young man from the city of Guelph who, a year prior to the outbreak of war, worked his passage overseas in a cattle boat, and enlisted in the Royal Air Force. A month or two before the outbreak of war, and during practice manoeuvres, while he was connected with an attacking force approaching the English coast his bomber was lost, and to this time has not been heard of again. It is presumed, therefore, that he was lost with it.

Many young Canadians worked their way to England and, prior to the outbreak of war, enlisted in the Royal Air Force. Will such young men be entitled to benefits under the Pension Act?

Mr. MACKENZIE (Vancouver Centre): The provisions are limited to those domiciled in Canada at the commencement of the war.

Mr. GILLIS: I should like to ask a question concerning men who have been discharged from the forces during the past few months. Has there been any attempt on the part of the department to classify the disabilities and the causes for them, or for weeding out of the army at the present time the large number of men who have been weeded out? Is it a fact that a large percentage of the men being discharged to-day are men who entered the army suffering from malnutrition and were victims of prolonged years of depression prior to the outbreak of the war? Has the department made a check along those lines?

Mr. MACKENZIE (Vancouver Centre): Yes, a definite check. I have not before me the exact results obtained, but I would be pleased to give them at another time.

Mr. WRIGHT: Has the department made any arrangements to give these men training in the technical and trade schools, before they are discharged? Many of these men had no training before the war. If they are now to be discharged into civilian life, I suggest that they should be given preference in our technical and trade schools, and then given preference in our war industries.

Mr. MACKENZIE (Vancouver Centre): That is true in both cases; they are given preference.

Mr. WRIGHT: How many are now being given this particular training?

Mr. MACKENZIE (Vancouver Centre): I cannot give the figures for the present time.

Mr. GLADSTONE: I understood the minister to say that the benefits of the act are confined to those who were domiciled in Canada at the outbreak of war.

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GLADSTONE: That would exclude the young man to whom I referred, who left Canada and enlisted in the Royal Air Force before the outbreak of the war. I should like the minister to bring this point before the committee, with a view to having an amendment made whereby such men would receive the benefits of the act.

Mr. FAIR: Would the minister place on record the percentage of rejections in the various provinces, and the average rejections in the dominion of the young men who offered themselves for examination?

Mr. MACKENZIE (Vancouver Centre): Earlier this afternoon I mentioned the six categories. The following table will show the rejections, by military districts:

Category	Military district No. 1	Military district No. 2	Military district No. 3	Military district No. 4	Military district No. 5	Military district No. 6	Military district No. 7	Military district No. 10	Military district No. 11	Military district No. 12	Military district No. 13
A.....	901	2,219	976	1,390	1,018	665	786	774	828	439	833
B.....	82	161	111	129	85	35	76	110	58	64	162
C.....	35	77	67	36	47	48	50	32	33	35	60
D.....	54	120	205	211	146	65	177	66	115	48	82
E.....	27	48	21	27	10	33	6	23	108	20	8
F.....	360	856	425	585	121	478	181	355	332	88	286
Total.....	1,459	3,481	1,805	2,378	1,427	1,324	1,276	1,360	1,474	694	1,431

Mr. BROOKS: Did the minister say that men called up for training, under the training scheme, who were permanently injured, would receive a pension under the Pension Act?

Mr. MACKENZIE (Vancouver Centre): Yes, if they were injured on service, or if their injuries were attributable to or incurred on service.

Mr. BROOKS: They are not on active service. They are attached to the non-permanent active militia units, and are in a different category.

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. WRIGHT: Has the minister the number of the men placed in trade schools and technical schools?

Mr. MACKENZIE (Vancouver Centre): I shall have to get that information.

Mr. NICHOLSON: When amendments are being considered, there is another category to which I believe the minister's attention ought to be directed. For a considerable time I have had correspondence with a man who served with a forestry unit during the last war. He enlisted in 1916, and is now sixty-seven years old. According to information I have received, he was a first-class technician, carpenter, bridge-builder, millwright and lumberman. He built and ran a mill as a millwright. He offered his services, but on account of the valuable work he was doing in Scotland he was not allowed to go to France.

I understand that on account of his not serving in an actual theatre of war he is not entitled to a pension. Would the minister consider including in the eligible group those men with the forestry division who served in Great Britain, and could it be considered that they served in an actual theatre of war, and should be entitled to pension upon reaching the age of sixty years?

Mr. MACKENZIE (Vancouver Centre): That would involve an amendment to present legislation, and might very well be discussed in committee.

Mr. HAZEN: I realize it is difficult to make the provisions of the act cover fairly and equitably all deserving cases. I have in mind a case where I believe a hardship was suffered by a young man who enlisted. He enlisted in the medical corps, and after he had been there some months--

Mr. MACKENZIE (Vancouver Centre): In this war?

[Mr. I. A. Mackenzie.]

Mr. HAZEN: Yes. He took the medical examination and was accepted. After he had been there for some time he came to the conclusion that if he were going to be in the armed forces of Canada it was his duty to be in a fighting unit. Therefore he applied to be transferred to an infantry battalion. When he joined this battalion he had to undergo another examination, when it was discovered that he had a perforated eardrum. As a consequence he was discharged. He found himself without work because he could not take up his old line of employment. He was out on the street, as it were, without work. He tried to get employment in the income tax branch, but without success. It seems to me that the committee should keep cases of this kind in mind.

I would suggest also that there be closer cooperation between the Minister of Pensions and National Health and the chairman of the civil service commission. I am not familiar with the act and there may be some cooperation at the present time, but I think there should be more. As I understand the regulations, a man who has seen service overseas is given preference in his application for a civil service position. The time will come when there will be many returned men looking for employment and I was wondering whether it would not be possible to keep open a number of positions in the civil service so that they would be available to men who have volunteered their services.

Mr. MACKENZIE (Vancouver Centre): The chairman of the civil service commission is giving attention to that very point at the present time.

Mr. HAZEN: During the last session we were told that about 3,500 new civil servants would have to be taken on in Ottawa under the Unemployment Insurance Act. Might it not be possible to keep open many of these positions, not fill them permanently until these soldiers return from overseas?

The minister may know more about this particular matter than I do, but I have been told that during this winter the Lancaster military hospital near Saint John has been understaffed and overcrowded. I should like him to look into this complaint to see whether it is correct. The second part of the resolution states that it is expedient to make further changes and adjustments in the procedure and administration of the Pension Act. Would the minister give us some idea as to what these changes will be?

Mr. MACKENZIE (Vancouver Centre): They are minor routine changes. For instance, it is proposed to change the quorum of the

board from three to two, and there are about five or six minor changes, mostly in connection with routine matters.

Mr. MacINNIS: The debate on this resolution has been fairly wide in scope. From my experience with the pension board over a number of years, I feel that they do their best to administer the act as fairly as possible. When they do not accede to demands or requests, it is because they cannot go beyond the act. There are thousands of people in Canada who are not returned men, who did not serve in the armed forces but who find themselves to-day in the same position as many of those who did serve in the last war. The extent of economic need is the reason why we have such difficulty in dealing with veterans' problems. It is a wide economic question and we cannot deal with it through the Pension Act. It can be dealt with only by a social security act which would make provision for the economic needs of all affected. I do not want to take anything away from those who have served in the armed forces, but the man who is a casualty of industry should be provided for in a way similar to the means by which we provide for men who have served in the armed forces. We cannot deal with this question or with the disabilities that affect our returned men without improving general economic conditions. We must make the social conditions of the country better for those who have not served in the armed forces as well as for those who have. They must be made better for all the civilian population. When we start doing that, we shall be making a beginning of dealing with the problems of the returned men in a way that will be more satisfactory than that now followed.

Mrs. NIELSEN: I am glad to hear that there is a possibility that the committee will discuss the matter of widows of veterans. I have come in contact with numerous groups of these women, and it would appear that a great injustice has been done during the last few years. In many instances these women have had to go on relief, and they regard this as charity. They feel they have every reason in the world to expect the government to take care of them without their having to resort to charity. They feel they are entitled to a just reward for having willingly sent their husbands to serve during the last war.

There is another question I should like to put to the minister in connection with children of ex-service men. Suppose a man is receiving pension and dies, and then after a time his widow marries. Would the young children still be eligible for pension?

Mr. MACKENZIE (Vancouver Centre): Yes, but certain amendments are proposed to meet other situations affecting children.

Mrs. NIELSEN: That will be considered by the committee?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. O'NEILL: Mr. Chairman, I have listened with a great deal of interest this afternoon to the discussion which has taken place in connection with matters having to do with returned men. There is one matter which has not been called to the attention of the committee. I refer to dependents' allowances for men who volunteer to serve in the reserve army and who may become injured. These men report for duty, say on Tuesday and Friday nights, and with the streets in the slippery condition they are now in, it is quite possible for one of these men to fall and break a leg or an arm. As I understand the situation, the regulations at present provide that the man would receive hospitalization and his pay allowance. In an extreme case it is possible for a man to be laid up for as long as four months. If he is a married man with two or three small children, he would be entitled to only his pay allowance of $1.20 a day.

Provision should be made that, until such time as that man resumes his position in civil life, his dependents will be paid the same dependent's allowance as if he were on active service. A great many of the men in the reserve army are making less than $125 a month and it is impossible for them to have anything laid by to provide for a lay-off of three or four months. Some consideration should be given to that phase of the question. There would not be very many to look after, probably half a dozen in any one military district in the course of a year. Has the minister given any consideration to that matter?

Mr. MACKENZIE (Vancouver Centre): I shall be glad to see that it is brought before the committee.

Mr. MACDONALD (Halifax): Is it the intention under the proposed legislation to extend the benefits of the Pension Act to groups who are not serving in the armed forces, to the dependents of men, for example, who are serving in Canadian ships and who may lose their lives at sea, not necessarily through enemy action but in the carrying-out of their duties in essential war services? I understand that provision is made by order in council for the dependents of those who lose their

lives on Canadian ships through enemy action. They are taken care of under the Pension Act. I assume that one of the purposes of this legislation would be to deal with cases of that kind, and that the legislation itself will be retroactive. But I had in mind particularly cases of a little different kind, of men who have been injured and disabled or have lost their lives, while serving on ships doing necessary war work, but not necessarily through enemy action. In the port of Halifax a year ago the pilot boat *Hebridean* was sunk in a collision in the harbour, and a number of the crew and several pilots lost their lives in consequence of the collision. Under the law and orders in council that existed at that time no compensation or allowance could be or was given to any of the dependents of the pilots and members of the crew, and I was wondering whether the present legislation would take care of cases of that kind or whether it is a matter that could properly come before the special committee.

Mr. MACKENZIE (Vancouver Centre): The legislation as drafted does not cover the classification referred to by my hon. friend, but there is no reason why the committee should not give the matter every consideration.

Mr. MACDONALD (Halifax): It could be covered by the special committee?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. QUELCH: All returned men will welcome the fact that this committee is being appointed to deal with amendments to the Pension Act and the War Veterans' Allowance Act. I recall that in 1936 we had a thorough investigation into the Pension Act and we were continually running up against one main obstacle. The minister admitted quite freely that there were many problems which the soldiers had the right to expect us to deal with, but invariably when the question came up, the government did not have the money to deal adequately with the problem. In view, however, of the fact that to-day we are spending hundreds of millions of dollars compared with millions of dollars then, I hope that when these problems come before us, we shall not be met with the same response as then. I hope that we shall be prepared to deal with these problems on their merits. It will not be a question of generosity. The former leader of the opposition once said that we had been generous to the returned men. It is not a question of generosity. We have a debt, and until that debt is paid in full, there is no question of generosity. Therefore, when these problems come up, I hope we shall be prepared to deal with them on their merits and not be told that we have not the money to deal with them properly.

Mr. ROSS (Souris): I should like to ask the Minister of National Defence and the minister in charge of this legislation how the medical requirements for recruits for the reserve army compare with the requirements for the active service army. How does a pensioner from the last war in one of the lower categories build up his category so that he can eventually qualify for active service? Would the minister mind explaining, to begin with, the difference between the medical requirements in the active service forces and those in the reserve forces in Canada?

Mr. RALSTON: The category of the reserve forces can be "C". "B2" is the lowest category for the active service forces.

May I just before six o'clock supply a bit of information which I promised to the committee on a matter not directly concerned with the resolution but to which reference was made, and that was the discharge, on medical grounds, of a very large number from the active service forces. I had a lively recollection of the whole matter because I had to deal with it myself when a return came to me.

I want to say first that I did regard 10,000 discharges for medical unfitness out of the total number enlisted as being too large, and I am bound to say that I still regard it as too large. Having looked the matter over, I would say that the recruiting medical boards, particularly during the first six months of the war, did not categorize with the efficiency which we hoped for, and I say that quite frankly. There was too large a number of men found physically unfit following what was hoped to be a complete and effective medical examination by medical boards composed of three officers.

I think it must be remembered that nearly 200,000 in all were examined, and we are talking about the discharge of something like 10,000 after being accepted. Of those 10,000 more than 3,000 were discharged within the first three months, indicating that very soon their physical unfitness was discovered.

The reasons for it—and there are reasons which have been put before me—are, in the first place, that the medical boards were new at the start. They were not army medical men, but were civilian boards and they did not have the training in army requirements which was necessary.

Obviously, civilian medical personnel would be unfamiliar with the standard of army requirements. Second, wastage, that is to say,

physical unfitness, occurred among men who had not been in army service before, and a large percentage of whom were from urban centres. If one compares these figures with any permanent army figures generally, he will find that the latter have regard to personnel composed of more or less seasoned troops.

It must also be remembered that the figures of enlistment and the number of those discharged include the enlistment of twenty-nine companies of veterans home guards and eleven provost companies as well as numerous others which were included in the active army, but who might be in category "C1" and "C2," among whom the wastage was a good deal higher than under normal circumstances. It is asked what we are going to do. Some time ago we gave instructions for the establishment of schools for these medical boards and that men were not to be taken on the boards unless they showed themselves fully equipped and understood the army requirements.

Another thing was that the ad hoc boards, the boards set up just from time to time as necessary, were reduced in number as far as possible, and we now have standing medical boards which do nothing but examine these men and therefore can be expected to become expert at this work.

Another thing which has been done is that instructions have been given to the district medical officers that when any medical officer, be he civilian or be he army, is found lax in his examinations, his services are to be dispensed with. His examinations can be quickly checked at national defence headquarters, because arrangements have been made that all the documents come before the officer there, with even a photostat copy of what we call page 3 of the examination. A close check is being kept at headquarters, and instructions have gone out to district medical officers that they themselves must certify that the medical officers functioning in connection with recruiting have received a definite course with regard to army medical examinations and having to do with physical standards necessary in relation to the categorization of records.

I ask permission to put this on the record because the matter has been mentioned to-day, and it ought not to go abroad that medical examinations are being made carelessly.

One other point is with regard to the discharge of those who it was thought would become inefficient soldiers. There were about 5,000. Steps have been taken with regard to them. In the first place, the regulations have been changed so that the authority for the discharge of personnel rests now not with the commanding officer but with the district officer commanding, so that there will not be any chance of a commanding officer who simply does not like a chap, or just feels that he does not fit in with the fellows around him or is not as bright as others, allowing him to go as an inefficient soldier. He has to come before the district officer commanding.

Second, instructions have been issued that more care shall be taken in connection with the enlistment of personnel. We enlisted 40,000 in six weeks last June and July, and naturally there was a good deal of crowding in connection with these enlistments. The same care could not be exercised by recruiting officers. Instructions, however, have been issued to recruiting as well as medical officers to ensure a better inquiry into fitness and efficiency in connection with the enlistment of personnel.

Third, district officers commanding have been instructed not to discharge personnel for inefficiency until every effort to make soldiers of them has failed. In the past, too many discharges have taken place because commanding officers felt they knew a better man who could take their places and naturally they were anxious to have a pukka unit, one just a bit above the average.

Mr. GREEN: Will the minister give the figures of those discharged from the forces in the different categories?

Mr. RALSTON: The Minister of National Defence gave them. Discharged as medically unfit, I gave as between nine and ten thousand. The figure is 10,829.

Mr. GREEN: Does that include the air force and the navy?

Mr. RALSTON: No.

Mr. GREEN: What about them?

Mr. RALSTON: I have not those.

Mr. GREEN: Can the minister get them?

Mr. RALSTON: I am sure the Minister of National Defence for Air and the Minister of National Defence for Naval Services will have them. My coming into the discussion at all is irregular.

Mr. GREEN: We should have that figure too.

Mr. RALSTON: My colleague gave the figures for the army. Those discharged, medically unfit, 10,829; enlisted under age, 1,073; discharged for misconduct, 520. Then there are those discharged for a number of special reasons, the chief of which is, I think, returned to civilian employment. The number is 1,289. Those discharged as not likely to become efficient soldiers number 4,067; those who were appointed to commissions in

the forces and who enlisted in other forces, 331. The grand total is 18,109. The Minister of Pensions and National Health gave all those figures and classified them, showing the period of time they had been in the service before they were discharged. I said that nearly 3,400 had been in the service for less than ninety days—

Mr. GREEN: Can we get the figures for the air force and navy at eight o'clock?

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MACKENZIE (Vancouver Centre): In reply to a question asked by the hon. member for Mackenzie before recess with regard to training courses, I have at present only partial information but will get some further information later on. I am informed by the Department of Labour that applications are received by principals of technical schools as representing the provincial governments. Requests for reports showing the number of returned soldiers accepted for training have been made to all provinces. Some provinces have not shown this fact in the reports received. A figure taken out by the youth training administration showed forty-two ex-soldiers among the 6,000 men now in training schools. This is known to be quite incomplete. The veterans' welfare division had one report from the Edmonton veterans' assistance committee that twelve men had been placed in courses.

The veterans' welfare division has instructed all districts and honorary committees to urge men of appropriate types to apply for courses, but has no returns to show the number applying and the number accepted.

Then the hon. member for Vancouver South asked a question with reference to those medically unfit. I gave those figures earlier in the afternoon. For the army the total number of applications for enlistment from September 1, 1939, to September 30, 1940, was 192,415, of whom 28,316 were rejected as permanently unfit and 7,949 rejected as temporarily unfit.

Mr. GREEN: That is, they were not taken into the army at all?

Mr. MACKENZIE (Vancouver Centre): That is right. The combined figures represent a rate of 188·47 per thousand, or 18·8 per cent. Subsequently to attestation 3,492 were rejected; that is up to June 1, 1940. This represented 1·2 per cent of the whole.

[Mr. Ralston.]

Mr. GREEN: By rejection, does the minister mean that they were discharged after they had been taken into the army?

Mr. MACKENZIE (Vancouver Centre): Yes, as medically unfit, this small number, 3,492.

The air force took twenty recruiting centres to get the percentage. From August 1 to September 30, 1940, the total examined was 21,311, of whom 5,244 were rejected, or 24·6 per cent.

With regard to the navy I gave some figures earlier in the day. Their figures are concerned with rejections after the men were enlisted. For the period September 1, 1939, to September 30, 1940, thirteen months, the total number discharged as medically unfit was 149, or 12·4 per thousand, of a total strength of 11,973.

I have here two or three tables which show the disabilities—

Mr. GREEN: Before the minister goes on to that, I asked for the number that had been discharged from the navy and the number discharged from the air force. Can he give those figures?

Mr. MACKENZIE (Vancouver Centre): I do not have them.

Mr. GREEN: Is it not possible to get those figures?

Mr. MACKENZIE (Vancouver Centre): Oh, yes, later on. I shall be glad to ask my colleague for them.

Then it might be of interest to show the various disabilities for which they were discharged.

Mr. HANSON (York-Sunbury): Before the minister goes into that, if he has not already done so would he be good enough to give the number discharged after having been taken to England?

Mr. MACKENZIE (Vancouver Centre): I gave those figures earlier in the afternoon. There were 909 altogether.

Mr. BROOKS: Up to what date?

Mr. MACKENZIE (Vancouver Centre): That was up until last week.

Mr. HANSON (York-Sunbury): That would be what—less than 2 per cent of those who went overseas?

Mr. MACKENZIE (Vancouver Centre): I should like to place these tables on *Hansard*.

Table "A"

C.A.S.F.

Applicants Rejected as Medically Unfit (Cat. "E") Before Attestation
(For period 1/9/39 to 30/9/40—13 months)

Diagnosis	Permanently unfit	Temporarily unfit	Total unfit	Rate per 1,000 of total strength
Digestive system	743	911	1,654	8·6
Tuberculosis	976	6	982	5·1
Ear conditions	2,873	333	3,206	16·66
Eye conditions	4,176	2,122	6,298	32·73
Respiratory system	1,006	122	1,128	5·87
Mental conditions	462	2	464	2·41
Feet conditions	841	116	957	4·97
Heart conditions	2,401	126	2,527	13·13
Injuries (old and new)	695	105	800	4·16
Hernia	1,100	1,244	2,344	12·18
Arthritis and rheumatism	598	20	618	3·21
All other conditions	12,445	2,842	15,287	79·45
Total	28,316	7,949	36,265	188·47

Total applications—192,415.

Table "B"

Air Force

Applicants Rejected at Recruiting Centres as Medically Unfit (Cat. "E") Before Attestation
(For period 1/8/40 to 30/9/40—2 months)

Reason for rejection	Fitness for flying or aircrew Permanently unfit	Temporarily unfit	Reason for rejection	Ground personnel Permanently unfit	Temporarily unfit
Poor previous history	37	11	Below minimum height.	43	6
Generally below physical requirements	61	114	Below minimum weight.	28	291
Underweight	7	195	Visual acuity less than 6/18	39	130
Blood pressure outside of standards set	54	217	Visual acuity less than 6/30	72	82
Cardio-vascular inefficiency	109	439	Visual acuity less than 6/60	71	35
Visual acuity less than 6/18	71	78	Other eye defects	19	13
Visual acuity less than 6/30	71	2	Defective colour vision.	21	3
Visual acuity less than 6/60	62	6	Hearing and other ear defects	110	52
Other eye defects	45	55	Cardio-vascular disease.	94	161
Defective colour vision.	247	31	Nervous system disease.	12	6
Defective hearing	34	12	Skin disease	4	18
Other ear diseases	39	34	Locomotor defects (varicoscities)	28	85
Defective nasal passages	11	42	Gastro-intestinal	25	11
Other nasal pathology	7	34	Hernia	99	0
Skin diseases	6	21	Respiratory diseases	15	32
Gastro-intestinal	4	5	Dental	6	215
Hernia	67	0	Other causes	87	254
Dental	2	92			
Other causes	105	243			
Total	1,039	1,631	Total	773	1,394

Complete total..... 4,837

Mr. GREEN: Will that show how many have been discharged after enlistment in the air force or the navy?

Mr. MACKENZIE (Vancouver Centre): In the air force, yes.

Mr. MARSHALL: I think a great problem which confronts this government at the present time is the rehabilitation of those men, discharged from the army, who have not yet been absorbed into employment. This problem was engaging the attention of the government as far back as November of last year. According to order in council P.C. 4068½, dated December 8, 1939, there was constituted a special committee of the cabinet whose object was to

give full consideration to and report upon problems which will arise from the demobilization and discharge of members of the forces from time to time during and after the conclusion of the present war, and their rehabilitation into civil life. The problem was a serious one in November of last year, and is becoming more serious as time goes on. A special advisory committee which was set up by the cabinet recommended that a division be created to be known as the veterans' welfare division, the functions of which should be to advise and assist former members of the forces in matters pertaining to reestablishment in civil life, and to perform such other duties as might be prescribed by the Minister of Pensions and National Health relating to the welfare of such former members of the forces. These were the duties which devolved upon the veterans' welfare division:

1. To establish subdivisions at such points throughout Canada at which the Department of Pensions and National Health maintains offices and/or where the establishment of such subdivisions is deemed to be advisable;
2. To interview, advise and assist former members of the forces;
3. To become conversant with all the regulations relating to pensions, allowances, medical treatment—

I need not list all these various duties. The fact remains that they are so vague as to be of no real value, and consequently this problem of the rehabilitation of the ex-service man is not being given the attention it deserves.

I am suggesting that the problem can be dealt with in two ways. There is the long view of the problem and then there is the short view, or what should be done immediately. I should like to have the reaction of the minister to some recommendations appearing on pages 62 and 63 of the report of the veterans' assistance commission of 1937. On page 62 I find this paragraph:

There is a general feeling throughout the country that unemployed war veterans should be accepted as the responsibility of the dominion government. Particularly is this view prevalent amongst provincial and municipal authorities, and among responsible veteran organizations who have to deal with the class of veteran included in this report.

During the recruiting period in Canada many war-time promises were made to the troops by men in public life, no doubt in all sincerity at the time, but it would not be correct to say that all of the promises had been fulfilled.

While I agree that this refers more particularly to the men who were demobilized after the war of 1914-18, it can also be applied to the situation which presents itself at the present time. Then at page 63 of this report I find this very fine recommendation:

After giving the matter considerable thought and bearing in mind the representation made by organizations throughout the country, by honorary local committees, and information obtained from various sources, the commission has come to the conclusion that it can do no less than recommend that the dominion government accept responsibility for all indigent unemployed veterans who were domiciled in Canada at date of enlistment and who saw service in a theatre of actual war.

In this recommendation the commission suggests that these be dealt with in two groups:

1. The War Veterans' Allowance Act to be amended to take in a larger number who can prove unfitness, et cetera;

I do hope that when the committee comes to discuss the War Veterans' Allowance Act due consideration will be given to this recommendation.

Mr. MACKENZIE (Vancouver Centre): That has been carried out to a certain extent since the report was written.

Mr. MARSHALL: Yes; but the second recommendation to which I now come is the one to which I have particular reference:

2. The remaining number to be taken care of while unemployed by the payment of an allowance to be known as provisional economic allowance.

The minister would not for a moment suggest that this recommendation has been carried out. It was endorsed by the Canadian Legion at one of its annual conventions only a couple of years ago, but thus far no steps have been taken to implement it. To me it is the most important recommendation of all. It goes on:

The basic rate of the provisional economic allowance to be:
Single men, $18.75 per month;
Man and wife, $30 per month.

That is a long range view of the problem, but what should we do with regard to these men at the present time or until this committee meets and brings in definite recommendations? There came to my desk this week a recommendation which I believe is the best I have heard or read thus far. I pass it on to the minister for his consideration, as a method of dealing immediately with the problem of caring for the unemployed discharged men of this war.

I would suggest that each military district set up immediately (and this can be done by telegram in twenty-four hours) a special service company into which would be transferred all men in the category of those being discharged to-day, to remain on strength for some disposition (medical treatment, pension, vocational

training) or to be placed in a lower category where they could be used for military non-combatant service. This set-up would relieve the pressure for the moment and the committee could then deal with future problems at their leisure—

To me that is a constructive suggestion, and I earnestly commend it to the attention of the minister because there is an emergency at the moment. The municipalities, both urban and rural, are not able to cope with the situation as well as they would like on account of these men being returned to the municipalities without any possible means of support. Therefore I would ask the minister if these matters are being considered by his department at the present time and if he intends to take any action in connection therewith.

Mr. MACKENZIE (Vancouver Centre): I can assure my hon. friend that every single problem he has mentioned is being fully considered and discussed by one or more of these sub-committees at the present time, and I trust a full description of their activities will be given before a special committee of this house within the next week or two.

Mr. CASTLEDEN: I notice that the resolution extends the benefits of this act to certain persons serving in the forces of the United Kingdom. Whom has the minister in mind in that regard? Are there any particular persons or groups? And would he enumerate those included?

Mr. MACKENZIE (Vancouver Centre): That again was discussed this afternoon. It applies to all Canadians serving with the imperial forces who were domiciled in Canada at the time of the outbreak of the present war.

Mr. CASTLEDEN: The resolution also refers to dependents. I believe our experience with the Pension Act in the past would lead to the conclusion that one group of dependents has been seriously neglected. I am referring to the widows of war veterans of the last war. It seems to me that unless some change is made in this regard, the whole thing will be largely an empty gesture. A large part of the suffering it should alleviate will have been neglected. I hope, when the bill deals with the matter, those people will not be forgotten. If it is possible to change existing legislation so as to bring in those who are suffering because they have been excluded from pension schemes of the past, I trust those changes will be made.

Mr. HOMUTH: Is there any intention of amending our Pension Act so as to take care of imperial pensioners who are domiciled in Canada, or whose people are domiciled here? A great many imperial pensioners are living in this country. It is most difficult to get any action from the imperial pension board. The application must come to Ottawa, and then must go forward to London. In my constituency there are some of these men who, in my opinion, have been unfairly treated. Their cases are, however, very difficult to handle. Surely there ought to be some way of setting up a joint board which might act in circumstances of this kind. We are in this war; we are partners with Great Britain in this war.

Many of our boys who, before the war, went overseas on cattle boats and lumber boats enlisted in the Royal Air Force on the outbreak of war. They have built up a fine name for themselves, and incidentally for Canada, because they are looked upon as Canadians. I wonder whether something could not be done to coordinate the work of the imperial and the Canadian pension boards, so that consideration might be given to those men, upon their return to Canada, better than was given to those who returned after the last war. Our standard of living is higher; our living costs are higher, and wages are higher. I believe something should be done to work out a scheme between the two countries whereby these men, upon their return, may be a little better off than they would be were they to receive only a pension from the old country.

Mr. MACKENZIE (Vancouver Centre): The question raised by the hon. member was raised this afternoon. I said at that time the committee would be glad indeed to discuss the whole situation with reference to imperial soldiers. Of course my hon. friend knows, if there is to be a coordinated arrangement there must be consent of both British and Canadian governments.

Resolution reported, read the second time and concurred in. Mr. Mackenzie (Vancouver Centre) thereupon moved for leave to introduce Bill No. 17, to amend the Pension Act.

Motion agreed to and bill read the first time.

Mr. SPEAKER: Mr. Mackenzie (Vancouver Centre) moves that the said bill be now read the second time.

Mr. HANSON (York-Sunbury): No, no; just a minute; not so fast. No one has asked for that.

Mr. MACKENZIE (Vancouver Centre): Next sitting.

Mr. SPEAKER: Next sitting of the house.

Mr. HANSON (York-Sunbury): Have a little care. This is not the last session, you know.

Mr. LAPOINTE (Quebec East): Seeing that the bill is going to be considered by a special committee, it would be just as well to send it to the committee right away.

Mr. HOMUTH: It is nice to see the child before it is given too much light.

Mr. HANSON (York-Sunbury): The bill has not yet been distributed.

DEFENCE OF CANADA

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER AND REVIEW REGULATIONS AND NATURALIZATION AND DEPORTATION LAWS

The house resumed from Thursday, February 27, consideration of the motion of Mr. Mackenzie King for the appointment of a committee to consider and review the defence of Canada regulations passed under the War Measures Act, and the naturalization and deportation laws.

Mr. H. C. GREEN (Vancouver South): The resolution now before the house provides for the appointment of a special committee to consider and to review once more the defence of Canada regulations. It also provides for the consideration and review of the law relating to naturalization and to deportation. This evening I intend to confine my remarks to the two last-mentioned subjects, namely, naturalization and deportation.

Last year, too, a special committee was appointed, but it was empowered to deal only with the defence of Canada regulations. May I say, before I proceed further, that I believe every member who served on the committee thoroughly enjoyed the work. It was carried on in a non-partisan way, and, I believe, the committee accomplished good results. All the members came out of the committee very good friends.

In considering the defence of Canada regulations, time and again we encountered questions concerning deportation and naturalization. That is shown by the report brought to the house, a portion of which reads:

> Consideration of the defence of Canada regulations relating to enemy aliens raised certain questions which affect the operation of the Naturalization Act and the Immigration Act relating to the naturalization and deportation of aliens.

For example, the provisions of our Immigration Act are such that if the war were to end next week we would have no power under that act to deport a person who had been an enemy alien; no power to deport such a person even if he were a sworn member of the nazi or the fascist party and planted in Canada for the purpose of acting as a Canadian Quisling, provided he had been in Canada for a period of five years. The reason is that under our Immigration Act he would be considered to have acquired Canadian domicile when he had been in the country for that length of time.

A senior officer of the immigration branch who appeared before the committee admitted this fact, and went on to tell us that at the time of the last war special provisions were made whereby enemies within Canada might be dealt with at the conclusion of the war. He recommended that some such provision be brought into effect at the present time, and I believe every member of the committee agreed that this would be the proper course to pursue. The situation is obviously unsatisfactory, and in the end, last year's committee recommended that the subject of deportation should be considered by another special committee to be set up in 1941. The resolution now under consideration in my opinion quite properly gives the proposed committee power to consider that subject.

Similarly, the question of naturalization arose in several ways. For example, evidence was given to the committee that enemy aliens had been naturalized in Canada after the outbreak of the war, and had actually received certificates of naturalization, despite the fact that war had broken out between their country and our own.

Then there were cases where certificates of naturalization had been withheld by the Secretary of State but the enemy aliens had been allowed to file applications for naturalization and appear in our naturalization courts to have these applications approved by the naturalization judges. The Canadian public became greatly disturbed over the appearance of enemy aliens in the naturalization courts, believing that this meant that they were to get naturalization certificates. Eventually the senior officer of the Department of the Secretary of State was called before the committee, and from him we learned of what had happened with regard to the naturalization of enemy aliens after the outbreak of the war. Apparently, when the war first broke out, some naturalization judges refused to hear applications for naturalization and some naturalization clerks refused to accept applications. On October 11, 1939, about five weeks after Canada declared war, an order in council was passed which contained this provision:

> . . . that applications for naturalization filed by enemy aliens should be received and con-

sidered in accordance with the regular practice prescribed by the Naturalization Act and that the fact that the applicant may be an enemy alien is not in itself to be regarded as a reason why the application should not be entertained, since all applications from enemy aliens will be specially and carefully considered in the Department of the Secretary of State before the issue of a certificate will be sanctioned.

I think that was before the government and perhaps the people of Canada realized the type of war we were facing. At that time Canada was unaware of the menace of the fifth column. Subsequently came the blitzkrieg. On July 15, 1940, the Secretary of State (Mr. Casgrain) explained the situation in these words, to be found at page 1643 of *Hansard* of that year:

When I assumed my present office on May 10, the invasion of the Netherlands and Belgium had just taken place. The reports which reached us as to the conduct of the so-called fifth column in these countries led me immediately to make a study of the situation in Canada in relation to naturalization.

He went on to say:

I felt it my duty to direct that, for the time being at least, no further certificates of naturalization should be issued to applicants of enemy origin.

In other words, on May 10, there was adopted the policy of withholding naturalization certificates, although applications for naturalization were still being heard. The members of the committee which sat last year felt that this action was creating considerable misapprehension across Canada, and apparently the officials of the Department of the Secretary of State agreed with us. The department drew up the recommendation in that regard, which will be found in the report of the committee to this house. This report reads:

It is of the opinion that considerable misapprehension has been occasioned by the fact that, although in recent months certificates of naturalization have not been issued by the Secretary of State to aliens of enemy origin, there is no provision which prevents the hearing before the courts of applications from applicants who are of enemy origin.

The report went on to recommend that there should be no further hearings of applications for naturalization by enemy aliens except in cases specifically authorized by the Secretary of State. I find now, however, that this recommendation has not been followed; apparently it has been ignored entirely although, when we left here last August, we understood that all the recommendations of the special committee which sat last year were to be adopted and carried out. Further, it was agreed by officers of the Department of the Secretary of State and by all the members of the committee that our naturalization procedure was inadequate and should be revised. We recommended that there should be greater solemnity in connection with naturalization hearings.

Mr. HANSON (Skeena): With regard to naturalization, was not the recommendation of the committee which sat last year that the Secretary of State should deal with each individual application on its merits and issue certificates to those who were entitled to get them?

Mr. GREEN: The complaint of the committee was that applications by enemy aliens were being heard in the naturalization courts. This really did not mean anything, because naturalization certificates were not actually being issued by the Secretary of State, but we felt that for the peace of mind of the Canadian people, instructions should be sent out to the naturalization courts that no further hearings be held of applications by enemy aliens except where the Secretary of State recommended that a hearing be held. Does my hon. friend understand that?

Mr. HANSON (Skeena): Applications by Italian and Japanese subjects should be dealt with on their merits.

Mr. GREEN: This recommendation applied only to Germans and Italians. I was just about to quote the recommendation which was made in connection with naturalization procedure. It was as follows:

That measures should be taken to invest the important step of naturalization with greater solemnity and to impress upon those who apply for the privilege the importance of the obligations which they assume as British subjects.

In addition to making that recommendation, we felt that on the broader ground of national policy the whole question of naturalization was well worthy of consideration by a special committee. We recommended accordingly and the government has seen fit to accept that recommendation. I think it will be admitted by everyone in this chamber that our method of naturalization is far from being the best that could be devised. I believe everyone will admit also that the parliament of Canada has given the subject of naturalization scant consideration in recent years. I know all members will admit that naturalization is and will always be of the greatest importance to Canada because so many of our people have become Canadian citizens and British subjects by way of the naturalization courts. Some of our best citizens and, indeed, some of the leading members of this house are naturalized Canadians. The 1931 census showed that at that time there were in Canada 614,971 naturalized Canadians

Mr. HANSON (Skeena): Including myself.

Mr. GREEN: Yes, and the hon. member is an ornament to this House of Commons. I have great respect for the hon. member for Skeena. He is a good Canadian and I think he deserves great credit.

The census of 1931 shows that we had 507,724 aliens resident in Canada, making a total of more than 1,000,000 foreign-born residents in Canada, the exact figures being 1,122,695. Each year the number is increased. The Canada Year Book for 1940 shows, at page 1070, that in the fiscal year 1938 we acquired by naturalization 27,455 new Canadian citizens, and in the fiscal year 1939, 21,418. As I have said, naturalization is of the greatest importance to Canada.

I think every member of the house will admit that by our methods of naturalization we set for the applicant our standard of citizenship. If our standard is low—I repeat that—if our standard of citizenship is low—and I suggest that judged in this way it is low—how can we expect the applicant for naturalization to place a high value on Canadian citizenship?

I am convinced that there are different ways in which our naturalization methods in Canada could be improved, and I propose to suggest several ways for the consideration of the committee which is to be set up this year. Of course, I do not pretend that these are all the ways or the best ways, but I think they are worthy of consideration.

My first suggestion is that the Canadian government should provide for naturalization schools and for naturalization textbooks. This would have to be done in collaboration with the provincial governments, and I think it could be done if the federal government made up its mind that such a step was necessary. If it were done, applicants for naturalization could learn something of the history of Canada, something of our institutions, something of the ideals of the Canadian people. Let us make such knowledge the basis for granting citizenship in this nation of Canada. At the present time all the knowledge that an applicant must have is an adequate knowledge of English or French, and that provision is interpreted in such a way that he does not even need to be able to read either English or French. All he has to do, according to the memorandum issued by the department, is to be able to make himself understood in either language. That is our present standard of citizenship in this country.

Next I suggest that naturalization judges should be given wider powers. At present they can ask only perfunctory questions. Everyone practising law will admit, I think, that the naturalization courts are really naturalization mills. Applicants are crowded in and go through in a jam. There is not the slightest possible chance given to a judge to get down to the real merits of whether or not an applicant is entitled to our citizenship. Give to these judges across Canada, who, after all, are the best people to decide the question, power to question the applicant thoroughly. Make arrangements so that the evidence taken can be kept on record. It is not even kept on record at the present time. Let the judges have a copy, in advance of the hearing, of the confidential report of the Royal Canadian Mounted Police.

As a third suggestion, should we not provide for a more definite declaration of the intention of the applicant for naturalization? Let us investigate most carefully the question whether he has a dual loyalty, whether he is going to be not only a citizen of Canada but also a citizen of some other nation. In other words, is he giving up his former nationality when he assumes our nationality? In some of the provinces, in my own province of British Columbia certainly, that is a most important question.

Another suggestion I would make is that we have a dignified ceremony before a judge when the oath of allegiance is taken by the applicant. After he has been approved by the judge and after his application has been approved by the Secretary of State, let us have a dignified ceremony before a judge in the community in which the applicant resides and in the presence of the leading citizens of that community. Let the oath of allegiance be taken under such conditions, and let the naturalization certificate be presented to the applicant at that ceremony.

How do we carry out the procedure at present? We could not do it more in mail-order fashion than we do at the present time. The Department of the Secretary of State sends a blank oath of allegiance form to the applicant after he has been approved for citizenship. The applicant then goes to the nearest notary public, commissioner or justice of the peace, writes out the oath of allegiance, signs it and swears to it before the official, and sends it back to Ottawa. Then, by post also, he gets his naturalization certificate, which is his admission to citizenship in Canada and to citizenship in the British empire. I suggest that this is a most out-of-date method of doing things.

Mr. HANSON (Skeena): If my hon. friend will allow me, before the Secretary of State

sends out to the applicant the oath of allegiance form, the Royal Canadian Mounted Police make an investigation of the fitness of the applicant to become a Canadian citizen.

Mr. GREEN: I realize that there is an investigation by the Royal Canadian Mounted Police, but even in that connection there is this further defect, that the judge before whom the applicant appears never knows the finding of the Royal Canadian Mounted Police. No provision is made for passing their report on to him.

If the suggestions I have made or some such methods are adopted, I am convinced that applicants for naturalization will place a far higher value on Canadian citizenship; so will the Canadian-born people, and so will the members of this house. We too would learn more of the history and of the institutions and ideals of our country. We would think more of just what Canadian citizenship means. But, most important of all, those of us who are already Canadian citizens would take far more interest in the applicants for naturalization—and that is where the people of Canada have fallen down.

I was very much impressed to read in the last issue of *Saturday Night* an article entitled "New Canadians and Democracy". It referred to a speech made in the Saskatchewan legislature by one of its members of Ukrainian birth, Mr. Orest Zerebko. Among the things he said in that house last year was this.

> Loyalty is begotten in the way you treat us, in the way you say "hello" and shake hands on the street.

Another clipping which I cut out of the Ottawa *Citizen* of June 9, 1938, reported a gathering of new Canadians in Montreal. The occasion was Canadian Allegiance day, when new Canadians previously of other nationalities gathered together; the president of that gathering asked Canadians to be more understanding and to pay more attention to the new Canadians. The report went on to say:

> He urged Canadians to extend a "hand of friendship" to "those who simply want the opportunity of making an honest living and to raise their children in a peaceful atmosphere that they might have faith and respect in Canada's future."

We need the help, we need the friendship of these new Canadians at the present time as we have never needed it before. Let us see what steps we can take to get that help and friendship.

I believe that the government could interest many of the clubs across Canada in this subject. It could interest the service clubs. It could interest the Canadian clubs, because I know that the Canadian clubs of British Columbia have already submitted resolutions for consideration by the special committee which is to be set up to-night; the whole subject of naturalization and of the working out of new methods in respect thereto would appeal to clubs of this type. We could get the greatest help from them. I suggest that the government make an attempt to get that help.

Let me say this in conclusion. The war has focused the attention of the Canadian parliament and of the Canadian people on many aspects of our national life which before were rarely considered. One of these is Canadian citizenship, which includes the question of naturalization. Our people are on the lookout as never before for ways of improving our national life. We in the House of Commons have, therefore, an unusual opportunity to improve our laws and our methods. We have an unusual opportunity to chart new courses for Canada on this and many other subjects. If we approach this question of naturalization in such a spirit, if we have the foresight and the courage to make the necessary changes, I am sure that we shall thereby greatly strengthen the Canadian nation.

Hon. PIERRE FRANÇOIS CASGRAIN (Secretary of State): At the present time I shall confine my remarks to the question of naturalization. My hon. friend who has just resumed his seat (Mr. Green) made reference to certain applications for naturalization which had been granted after the outbreak of war to persons of enemy alien extraction. If such persons were naturalized after the outbreak of war, the explanation must lie in the fact that applications for such naturalization were made prior to the declaration of war, and in due course, the applications having been examined by the judges, the reports would be submitted to the department and the certificates handed out.

Since I took office I have confined myself exclusively to the application of the law as it stands. As has been quoted from the debate that took place last year, on July 15, as reported at page 1643 of *Hansard*, I stated on that occasion exactly what the policy of the department had been since my assumption of office on May 10, and since that time this policy has been adhered to quite strictly.

As regards applications which are filed before the courts and which in the opinion of certain people should not be granted at the present time, I think the law will have to be amended if we are to cope with the situation. As the law stands now, any one has a right to make application before a court. The application is considered by the judge and persons appear before the court and testify to the qualifications of applicants to become Canadian citi-

zens. If the judge finds all the requirements complied with, everything in order, the report is sent to the Secretary of State; and according to the terms of the act, section 4, subsection 3, it is within the power of the Secretary of State either to grant or to refuse a certificate of naturalization. The law reads:

> The grant of a certificate of naturalization to any such alien shall be in the absolute discretion of the minister, and he may, with or without assigning any reason, give or withhold the certificate as he thinks most conducive to the public good, and no appeal shall lie from his decision.

I may point out that after the report of the judge is received, even if there is a recommendation for consideration by the minister, an investigation can be carried out under the auspices of the Royal Canadian Mounted Police. Whenever such investigations are held, the reports are submitted to the department, and on the basis of those reports it is decided either to withhold or to grant the certificate.

With regard to the recommendations made last year by the committee which inquired into the defence of Canada regulations, it would have been necessary, had we decided to put them into force at once, to make certain amendments to the law. Take, for example, the recommendation that the Secretary of State be empowered to notify clerks of courts and judges that certain cases should not be proceeded with. That would have necessitated an amendment. As regards the other recommendation, that in special cases the Secretary of State should be empowered to impose conditions requiring advertisement of the application in the newspapers, here again an amendment to the law would have been necessary.

As regards solemnity in the granting of certificates of naturalization, so far as I am concerned I am of opinion that possibly later on, when the law is being amended—and this will be done only after the committee has considered the whole subject—the question might be considered of investing the procedure with more solemnity in order to impress new citizens with the obligations they assume on becoming Canadians. I give this as my personal opinion.

All these questions, however, would have involved amendments to the law, and the reason why no amendment was made at the time was that as soon as the committee had concluded its sittings, towards the end of the session, an interdepartmental committee was formed comprising the under-secretary of state, officials of the naturalization branch, and officials of the departments of external affairs and justice. This committee has had a few sittings and has considered the recommendations of the parliamentary committee. In fact, in the report of the parliamentary committee at the last session, it was recommended that a special committee be appointed "at the next session" to consider and review the law relating to naturalization; and it was thought advisable at the time to wait until this session, when a new committee would be set up, as in fact one is being set up now for review of the regulations with respect to the defence of Canada, to have the whole matter fully discussed by members of all parties and without party politics. It was felt that this would enable us to ascertain the prevailing opinion in the country and to determine exactly what is needed for the proper amendment of the law so as to make it a really Canadian enactment.

Another question must be considered. In all these matters, whenever it is necessary to amend an important law such as naturalization, we should not lose sight of the fact that there is a similar law in the United Kingdom, and we might consider the advisability of bringing our own enactment into conformity with the law there. All this takes time; at the present session a committee will investigate the whole subject, and we shall be able then to proceed with such amendments as may be necessary to make our law more useful to the country and more Canadian in itself.

This resolution should pass as quickly as possible and we should set to work and amend the law as necessary in the interests of all the people of Canada.

Mr. T. C. DOUGLAS (Weyburn): This is the first opportunity most hon. members have had of saying a few words about the defence of Canada regulations. I for one am very glad that a special committee of the house is going to have them under consideration during this session.

I begin by saying most categorically that I am opposed to these regulations in their present form. I am also opposed to the manner in which they have been administered.

Mr. HANSON (Skeena): For what reason?

Mr. DOUGLAS (Weyburn): That is just what I am going to speak about if the hon. member will be patient.

The other day, speaking on this resolution, the Minister of Justice (Mr. Lapointe) asked the question: "Are regulations necessary?" I begin by answering that question in the affirmative; regulations most certainly are necessary. Anyone who has made even a small study of the nazi system of infiltration and what is commonly known as the fifth column knows that a country at war with

the nazi and fascist powers must take every necessary step to prevent itself from being honeycombed by those inside who would cause our people to lose faith in themselves and in one another and in our democratic way of life. We in this group have never at any time objected to there being defence of Canada regulations. The Minister of Justice knows that quite well. What we have objected to is, first, that the procedure set out for taking steps against persons who are enemies of the state is not such as to safeguard and protect the civil liberties of our people; and, second, that these regulations are so vague in their terminology as to make it possible, as I think I can show, for discrimination to be shown against innocent persons.

The minister made an impassioned speech the other day. He said that he was only doing his duty and that as long as he holds the position he now holds he would do his duty according to the regulations given to him by parliament. I suggest that parliament has never had an opportunity to review those regulations. It is true that a small committee of parliament went over them last year and made some recommendations as to changes, but even that report was not a unanimous one, and parliament itself did not pass those regulations and has had no suitable opportunity to discuss them or place them on the statute books as representing the opinion of the people of Canada in general.

Our objection is not to the regulations but to the fact that the procedure is not clearly outlined and that there are loopholes so that the people are not properly safeguarded. Those regulations lend themselves to being used, and have been used sometimes, to repress criticism, to put out of the way people who perhaps were a nuisance to someone, and to take steps against people who perhaps were not popular in certain quarters.

I enjoyed the speech made by the minister the other evening on the appropriation bill. He gave three reasons why this country was fighting; I think every hon. member agreed with him. The first was individual freedom; the second, freedom of national groups to develop their culture and traditions, and the third, that we were fighting for the liberty of Christian faith. May I, however, suggest to the Minister of Justice that we are in danger of undermining some of these things right here in Canada. We cannot defend those things abroad unless we exercise eternal vigilance in preserving them at home.

Take the first, the freedom of the individual. Under these regulations we have taken from the private citizen of Canada something that has come to him or her down through the centuries under British institutions, namely, the right of habeas corpus. We have taken from individuals the right to know why they are being detained; we have taken away the right of a newspaper to know why it is suppressed, the right of an organization to know why it has been declared illegal and banned. Even in Great Britain, where they were much closer to the vortex of the war last summer than we, where the danger from the large number of refugees who had filtered in from the European continent was much more real, they have not gone as far as we have in taking away the right of habeas corpus. May I read part of regulation 21 and compare it with the analogous British regulation:

> 21. (1) The Minister of Justice, if satisfied that with a view to preventing any particular person from acting in any manner prejudicial to the public safety or the safety of the state it is necessary so to do, may notwithstanding anything in these regulations make an order—
>
> (c) directing that he be detained in such place and under such conditions as the Minister of Justice may from time to time determine.

The British regulation corresponding to that is No. 18B. This is a regulation which the British parliament insisted upon. Although they had had a regulation similar to the one we have, they would not stand for it. Their regulation reads:

> 18B. (1) If the Secretary of State has reasonable cause to believe any person to be of hostile origin or association or to have been recently concerned in acts prejudicial to the public safety or the defence of the realm or in the preparation or instigation of such acts and that by reason thereof it is necessary to exercise control over him, he may make an order against that person directing that he be detained.

In other words, they have there a regulation by which those ordering a man's detention must show cause why he is detained, and he must have done something, recently, prejudicial to the state or must be of alien origin or association.

This is a most serious matter. I do not know to what extent the Minister of Justice is familiar with just how this is applied in some parts of the country, but on November 28 last, I drew the attention of this house to the case of a man named Florian Stephan of Regina. Since it is on *Hansard* I shall not go back over the case in detail, but there have been some developments since. This man was a member of the executive of the relief recipients' organization. The relief committee of the Regina city council offered to meet the executive of the relief recipients. They met in a room, just a committee from the council and a committee from the relief recipients and a couple of representatives from

the provincial government. The relief recipients stated their case and their grievances. There is already on record, I placed it there, the verbatim report of what this man Stephan said. I pick out the only sentence to which the crown objected and on which the whole case was predicated. He said:

I know, and everybody knows, that since this war we—

Meaning the common people, the relief recipients.

—have been pinched, and millions made by certain people in the war.

On the basis of that statement two members of the Regina city council made a charge against this man under the defence of Canada regulations; he was arrested, thrown into gaol, finger-printed, tried, found guilty and fined.

Mr. DUPUIS: Good.

Mr. DOUGLAS (Weyburn): My hon. friend says "good". Of course that is exactly the type of mentality which gave Hitler his support in Germany.

Mr. DUPUIS: The hon. member would not talk that way if Hitler were here.

Mr. DOUGLAS (Weyburn): No, but I am prepared to talk that way to anyone here; I shall be prepared to go and talk to Hitler as soon as I get a chance, and I hope my hon. friend will be with me.

This man's case was appealed. I read very carefully the evidence presented at that appeal. In summing up, the judge could not find a single statement of a subversive character made by the man; he could not find anything that had been said which might be calculated to cause disaffection. But he dismissed the appeal and left the charge against this man because, he said, "It has been known for some time that he is an agitator." An agitator! This man is convicted because somebody says he is an agitator, without a shred of proof or of evidence. If that is to be true, any person can be branded by merely labelling him an agitator. I remember that in the last war certain people called the Minister of Justice an agitator, but no one suggested that he should be arrested and put in a concentration camp. Any person in this house might be labelled an agitator by some opponent or any one who had reason to disagree with him. If we allow a man to be convicted merely because someone has labelled him an agitator, then we have started along a very serious path in the Dominion of Canada.

The other day the hon. member for Rosetown-Biggar (Mr. Coldwell) raised the question of a newspaper, the *Canadian Tribune*. I understand that this paper was suppressed, and that when the editor made application to learn why it had been suppressed, what particular thing it had said to which objection was taken, there was no answer. He was not allowed to learn why it had been suppressed; it was just suppressed. I do not agree with the *Canadian Tribune*. Its last issue contained a most scurrilous and false editorial against the group with which I am associated; but I agree with Voltaire, who said, "I disagree most heartily with what you say, but I will fight for your right to say it." I submit that no regulations and no minister of the crown shall have the right to incarcerate an individual or to suppress a newspaper without showing cause why that step should be taken.

I noticed that in his eloquent speech the other day, the Minister of Justice did not reply to some of the questions asked by the hon. member for Rosetown-Biggar. One question, for instance, was why the pamphlet containing speeches by the hon. member for North Battleford (Mrs. Nielsen) had been seized by the mounted police; and our acting leader read a receipt given by the mounted police for the pamphlets that had been seized.

Mr. DUPUIS: The hon. member for North Battleford is able to defend herself.

Mr. DOUGLAS (Weyburn): I am not defending the hon. member for North Battleford; she certainly does not need it. I am dealing with an infringement of the civil liberties of the people of Canada, particularly with reference to a member of this house; and as yet no explanation has been given by any minister of the crown as to why these pamphlets were seized. Probably every member of this house has seen one of these pamphlets.

Mr. CRUICKSHANK: It was so terrible!

Mr. DOUGLAS (Weyburn): When the hon. member for Fraser Valley (Mr. Cruickshank) can produce a better one, I shall be glad to see it.

Mr. CRUICKSHANK: I will when the hon. member has finished.

Some hon. MEMBERS: Oh, oh.

Mr. DOUGLAS (Weyburn): It is no laughing matter, Mr. Speaker, when a home can be raided and a pamphlet containing speeches, all of which can be found in the records of the Canadian House of Commons, are seized as though it were some piece of vile or salacious literature. Surely this house has a right to some sort of explanation, but so far none has been forthcoming.

Mr. MACDONALD (Kingston City): I should like to ask the hon. member if he is

endeavouring to argue that because a thing may be said in this house, with all the privileges that attach to parliamentary statements, the same thing may be repeated outside this house with the same privileges.

Mr. DOUGLAS (Weyburn): The minister knows perfectly well that is not what I was arguing; but every speech contained in this pamphlet was delivered in this house, and neither the minister who just spoke nor any other hon. member opposite took particular exception to them. If in this house anything was said that was so subversive that some person's house had to be raided in order to procure copies of it, certainly some objection would have been advanced in this house by the government, but no objection was raised. Nothing was said; yet the police break into somebody's house to collect these harmless pamphlets. One may not agree with what is in them, but certainly some reason should be given for their seizure.

The Minister of Justice says we are fighting for the freedom of the individual. We are; but most certainly we have no right to ask individuals in Canada to give up those liberties which have come down to them through the centuries, some of which most certainly are being infringed upon at the present time under the administration of these regulations.

The second thing for which the Minister of Justice said we were fighting was the freedom of national groups to develop their culture and traditions. That is true. Those hon. members who had the privilege of seeing the two or three motion pictures put out by the national film board last Thursday, must have been impressed by the picture called "The People of Canada," showing as it did the different racial groups which have come from all parts of the world to make up the Canadian people. They must have been impressed by the fact that these heterogeneous groups have been welded together by two things—freedom and tolerance. That is what we want in Canada; yet I would point out that we have denied to some of these groups the very thing for which the minister says we are fighting, the right to develop their culture and traditions. I refer, for instance, to the Ukrainian labour group. There may be among the Ukrainian labour group unpatriotic leadership of which I do not know; there may be some men or women in that organization who are not acting in the best interests of Canada, and if there are such persons they should be dealt with. But I am familiar with a great many branches of the Ukrainian labour organization, which constitutes for the Ukrainian people a cultural home, a place where they meet together in order to keep alive their culture, their language and their traditions. I submit that we are not helping the cause of Canada by declaring that to be an illegal organization.

The third thing for which the minister said this country was engaged in war was the liberty of Christian faith, and surely we will all agree with him there. But the liberty of what Christian faith? I took it to mean the right for the minister to worship his Creator the way he thinks fit and best; and my right to do the same in the way I think right and best. But in this Dominion of Canada, almost before the war was on its way, we declared to be an illegal organization a sect known as Jehovah's Witnesses.

Mr. BRADETTE: And rightly so.

Mr. DOUGLAS (Weyburn): I do not agree with either the theological or the eschatological views of that sect; but because I do not agree with their particular religious views, I do not see why I must deny those people the right to worship their Maker in the way they think He ought to be worshipped. Yet that is what we have done, and not only to Jehovah's Witnesses. It has been done to an organization known as Technocracy Incorporated, having in its membership thousands of people with whose views most of us do not agree. No reason has, however, been given why that organization should be declared an illegal one.

Mr. MARTIN: Incipient fascists.

Mr. DOUGLAS (Weyburn): The hon. member says they were incipient fascists. Perhaps they were. But has that ever been proven in any court of law? Has any evidence been presented? Was that organization permitted to go into a court of law and present its case? Has any evidence been presented before the Canadian people? Certainly not.

The communist party was banished. Few organizations have suffered more at the hands of the communist party than the group with which I am associated.

Mr. BRADETTE: Not always. I have seen them parading together in northern Ontario—Cooperative Commonwealth Federation and communist. Yes, I have.

Mr. DOUGLAS (Weyburn): Many of us have seen you and the fascists pretty close together in your section, too.

Mr. BRADETTE: I have seen communists and C.C.F.'s. together.

Mr. HANSON (York-Sunbury): You must have a funny country up there.

Mr. DOUGLAS (Weyburn): That is the country where they try to get Italian fascists out of the internment camps.

Mr. BRADETTE: They do that because they are innocent. I wish the hon. member to withdraw what he has said. I went before the courts of this country, and the man was proved to have been innocent. I ask the hon. member to withdraw that statement.

Mr. DOUGLAS (Weyburn): I made no charge, and I do not propose to withdraw my statement.

Mr. BRADETTE: The hon. member imputed motives.

Mr. SPEAKER: I did not hear the statement; but if the hon. member did impute motives, then he will have to withdraw his statement.

Mr. DOUGLAS (Weyburn): I imputed no motives and made no charge.

Mr. BRADETTE: Yes, the hon. member did. He said I went before the courts fighting for some people who I knew were fascists.

An hon. MEMBER: No; he did not.

Mr. BRADETTE: I want those words to be withdrawn. I am just as good a Canadian as is the hon. member.

Mr. DOUGLAS (Weyburn): I think *Hansard* will support what I say.

The point I was making was this, that at the time we profess to be fighting a battle in the interests of Christian principles, we are allowing organizations and sects which may not be popular in this country—

Mr. HANSON (Skeena): I doubt very much if the hon. member is a Christian, although he preaches Christianity.

Mr. DOUGLAS (Weyburn): It may not be a very large section of our public; but we are banning these organizations, without giving them any opportunity to defend themselves. We are merely saying to them, "You are illegal organizations," and we say to the individual, "If you continue as a member of this organization you render yourself capable of punishment by law."

We believe the regulations ought to be altered so as to give those people an opportunity of appearing before some judicial or quasi-judicial body, so that they may state their case and have a hearing. That is the very least we can give to any organization or individual.

I have one further word to say, and it has to do with money belonging to organizations which have been declared illegal. I made reference to one of them the other day.

I understand the money in such an organization is turned over to the custodian of enemy property. That seems to me a most unfair procedure, particularly if some of the funds of such an organization happen to belong to the rank and file of the people. I have in mind a man who some years ago lent a considerable sum of money to the sect known as Jehovah's Witnesses.

Mr. LAPOINTE (Quebec East): He made a poor investment.

Mr. DOUGLAS (Weyburn): The loan was made long before that sect was considered an illegal organization. They were paying him back at the rate of so much a month, or on what might be described as an annuity basis. Along came the war, and the organization was declared to be illegal. Its funds, amounting to $75,000, were seized and turned over to the custodian of enemy property. What is the position of that individual? What crime has he committed?

The Minister of Justice said a moment ago that he made a poor investment. Probably he did make a poor investment; but why is he to be punished because the organization—

Mr. LAPOINTE (Quebec East): That was not a statement for publication.

Mr. DOUGLAS (Weyburn): I am sorry.

Mr. CASSELMAN (Grenville-Dundas): It was under your breath.

Mr. DOUGLAS (Weyburn): Why is this man to be punished because the organization to which he lent money has been banned by the Minister of Justice? Surely that is most unfair. That money goes to the custodian of enemy property. But the man who lent the money is not an enemy; he is a Canadian citizen, born in Canada. He must, however, wait until the end of the war to get the money which he lent in good faith to an organization which had given him a written guarantee that it would pay him back at the rate of so much a month.

Mr. HANSON (York-Sunbury): He will know something about the law of delays before he gets his money.

Mr. DOUGLAS (Weyburn): And he may know some privation before he gets it, too.

I submit that in studying these regulations the committee ought to give serious consideration to matters of this kind. Ever since the war began, we in this group have insisted not that the laws of this country be made easier for saboteurs and fifth columnists, but that they should be made harder for such people. No country can be too hard on any man or woman who, having accepted the pro-

tection and benefits of that country, seeks to undermine it. At the same time, however, we demand that steps to be taken under these regulations shall be defined so clearly that they cannot be abused, so that next week a man like Florian Stephan cannot be arrested because he said something an alderman did not like, so that pamphlets cannot be seized because someone does not like what is inside them, whether it is subversive or not.

We in this group contend that freedom is precious, and we know that down through the years men have given their lives to pass it on to us. We know that even to-day in various parts of the world men are shedding their blood to keep freedom alive. We in this parliament cannot treat lightly our responsibility to see to it in this country of ours that freedom shall not perish from the earth.

Mr. J. G. TURGEON (Cariboo): Mr. Speaker, I am sure every hon. member rising to speak respecting the defence of Canada regulations must do so only after hesitation. Upon rising to address you to-night, I am worried lest any words of mine might unintentionally add fuel to the fires of discontent which since the commencement of the war have been in process of creation in Canada.

I intend to deal frankly with statements made respecting the defence of Canada regulations and the manner in which they have been administered by the Minister of Justice (Mr. Lapointe). First of all, like every other hon. member I listened to-day to the speech of the hon. member for Rosetown-Biggar (Mr. Coldwell), and noted the strong emotions he displayed because a newspaper in this city had questioned his motives. Every hon. member sympathized with him, as we would sympathize with any hon. member whose motives are questioned. But almost every man, whether from his seat across the floor at that angle, or speaking outside, in connection with the defence of Canada regulations, questions the motives of the right hon. Minister of Justice. By word of mouth the public are being told that the Minister of Justice is an honest man, a man in whom everyone has confidence. Yet from the Atlantic ocean to the Pacific, charges have been made time after time that not only are these defence of Canada regulations abominable in themselves, but they have been administered by the right hon. Minister of Justice in such a manner as to inflict hardship upon men who cannot defend themselves.

I intend to return to this matter later on, but as one who was a member of the defence of Canada regulations committee which sat last session may I pay tribute to every individual who was on that committee? I listened to the hon. member for Rosetown-Biggar when he spoke the other day, as I did to the hon. member for Weyburn (Mr. Douglas) when he spoke this evening. I should like to deal first with what the hon. member for Rosetown-Biggar has said. Let me repeat that the members of this committee worked as no other committee of which I have been a member ever worked. The members tried honestly in every possible way to reach conclusions. I firmly believe they were trying to reach conclusions which would prove to be of benefit to the people of this country. May I point out that every suggestion for a lessening of the severity of the regulations did not come from members of the new political groups. On nearly every occasion a member from some party wanted to lessen the severity of these regulations.

Speaking a few days ago, the hon. member for Rosetown-Biggar directed nearly all his remarks to one fact. He found fault with the Minister of Justice because out of twenty-four cases where the review committee had recommended release, in nine cases the recommendation had not been accepted by the minister. The hon. member felt that this action was an imposition upon the people of Canada. The defence of Canada regulations committee dealt for many hours with section 22 which provides for the setting up of these review committees. This section also provides the means by which a person detained under section 21 or by order of the Minister of Justice may make his objections heard and secure his release if release is coming to him. The committee recommended certain changes, and these were all carried out and made the law of the land by an order in council passed under authority of the War Measures Act.

In all its discussions, no member of the committee suggested that responsibility should be lifted from the Minister of Justice and placed upon the review committee. This matter was not even debated, and yet the hon. member for Rosetown-Biggar bases almost the whole charge that he made against the administration of the defence of Canada regulations upon the fact that some of the recommendations of the review court were not put into effect by the Minister of Justice. As a matter of fact, one of the features of the defence of Canada regulations most severely

condemned by some of the members of the parliamentary committee was this setting up of a review committee of one man. We were told with some degree of justice that no one-man committee, even though the member held a high judicial position in the past, or was a justice at the moment, could properly investigate and render judgment in connection with men who were interned under these regulations. Yet we are told to-day that the Minister of Justice, a member of the government of Canada, should divest himself of responsibility and give it to this one-man committee, which was perhaps the most severely condemned of all the defence of Canada regulations.

I noticed the other day when the Minister of Justice followed the hon. member for Rosetown-Biggar, he complimented that hon. member upon the fact that at no time had he put forth the thought: Why should we fight for democracy abroad when we are losing democracy at home? The hon. member for Rosetown-Biggar made no such reference. I have here, however, a Vancouver paper dated January 6 in which is to be found an article by a member of the Cooperative Commonwealth Federation, a member of the legislature of British Columbia. I may say this is not the same member referred to the other day by the hon. member for Comox-Alberni (Mr. Neill). Perhaps I may be permitted to digress for a moment and say that this legislator would not make the type of speech exposed in this house the other day by the hon. member for Comox-Alberni.

Mr. HANSON (Skeena): Who is he?

Mr. TURGEON: Mrs. Jamieson. In commenting upon the defence of Canada regulations, she completed her argument with these words:

> Why does the Canadian government not follow suit? Because it fears that by its own policies it has lost the loyalty of these men; and so they are lost to Canadian industry and the Canadian war effort. And as the public sees more arbitrary internments, more convictions on flimsy charges, and intimidations of labour unions, men ask themselves: "What is the use of fighting for democracy abroad, when we are losing it every day at home?" This attitude, induced by Canadian war regulations, loses the war abroad, and is dangerous both to democracies and to Canada.

She was referring to what had taken place in Great Britain, and I shall have a word or two to say about that in answering the hon. member for Weyburn. The hon. member made reference to the communist party and he got into somewhat of an altercation with the hon. member for Cochrane (Mr. Bradette). The other day the hon. member for Rosetown-Biggar made a similar reference to the communist party, but he said that he held the communist party in contempt. Mind you, Mr. Speaker, I believe him when he says that he holds them in contempt, but I am dealing with an argument and as it was applied to public opinion in this country. He gave as his reason for holding them in contempt the fact that in spite of the attitude which the communist party had taken with regard to the war against Germany prior to the actual outbreak of the war, after Great Britain was at war, instead of participating in the effort of the people of the British isles and the British commonwealth, the communist party stated that this was a war of imperialism abroad brought about by capitalism.

Unfortunately, we have heard those very words in Canada. Unfortunately, we have heard them in British Columbia, and in spite of the fact that my hon. friends across the aisle say that no political party is a greater target for the communists than they, it was prominent members of the Cooperative Commonwealth Federation party who made statements with regard to this being an imperialistic war and one brought about naturally by acts of capitalism for many years before the war started. I mention that not for purposes of recrimination, but because I notice that every time some people in Canada make an attack on the defence of Canada regulations, they immediately start to dissociate themselves from the communists and to say that the whole object which the Minister of Justice and those associated with him have in the administration of these regulations is the coercion of labour, and they immediately say, as the hon. member for Weyburn said to-night, that they are a target for the communist party.

May I digress to suggest first of all that if my hon. friends over there are at outs with the communist party, if the communist party is taking pot-shots at them, it is, I feel certain, only the natural instinctive reaction of one group that is angry at another group whose objectives are the same as its own but who are taking a different path to reach those objectives; and that animosity exhibited by the communist party towards my hon. friends over there is in complete alignment with the animosity expressed by my hon. friends themselves towards the Unity reform party composed of the hon. member for North Battleford (Mrs. Nielsen). The hon. member for Weyburn to-night and the hon. member for Rosetown-Biggar the other day stated that the *Canadian Tribune*, on whose behalf both these hon. members raised a word of protest in this house, had attacked the Cooperative

Commonwealth Federation party and that, in spite of that, they were defending the *Canadian Tribune*.

Mr. DOUGLAS (Weyburn): Not defending the *Canadian Tribune,* but objecting to its being suppressed without a hearing.

Mr. TURGEON: If my memory serves me aright, the hon. member for Weyburn said to-night that the *Canadian Tribune* had made a scurrilous attack upon his particular group. So far as I know—of course there may be some editorials I have not seen—that scurrilous attack of the *Canadian Tribune* upon the Cooperative Commonwealth Federation party was because of the alleged neglect with which the Cooperative Commonwealth Federation party were treating the hon. member for North Battleford. That editorial said, for instance, that some professor or other whose name I forget, had expressed sympathy with the *Canadian Tribune* but could not understand its attitude towards the Cooperative Commonwealth Federation, and the editorial in question went on to refer to the meeting held by the hon. member for North Battleford in the city of Vancouver and asked why it was that the *Federationist,* the Cooperative Commonwealth Federation organ in Vancouver, had paid so little attention to the meeting of the hon. member for North Battleford.

I have here, Mr. Speaker, a sort of Christmas and New Year's message given to the people of Canada last December by Mr. Lewis, secretary of the Cooperative Commonwealth Federation National Council. I took it from the *Federationist* of Vancouver, which carries the message under a heading reading as follows:

"United Farmers, Workers, Would Preserve Democracy"—"Reports C.C.F. Organized Labour Unity in Montreal City Council Campaign" by David Lewis, Secretary, C.C.F. National Council.

Then follows the message:

Canadian Reaction Exploits War

The past fifteen months have shown that in our country the war is being exploited by reaction for its own needs. Our democracy is threatened by the defence regulations; a determined anti-labour drive is under way; monopolistic interests are being handed even more complete control of our economic life.

I have here—and I know I am not the only member who has seen it—the report of the proceedings of the fifty-sixth annual convention of the Trades and Labour Congress of Canada. It is quite probable that my very good friend the hon. member for Vancouver East (Mr. MacInnis) was present at this convention. I wish to take a minute or two for the purpose of commending to the people of Canada the stand taken by the Trades and Labour Congress of Canada with regard to the defence of Canada regulations and the manner in which they are being administered by the right hon. Minister of Justice. At page 47 of the report of the proceedings at their annual convention in 1940, I find under the heading "Defence of Canada Regulations," an expression of complete approval of the defence of Canada regulations and of the manner in which they are being administered. I cite this paragraph from among others:

The officers of the congress have sought assurances that no action taken has been because of membership in a trade union or the carrying out of legitimate trade union duties. So far we have failed to find any evidence of this having been done and it would be contrary to labour's principles to claim that any person should receive preferential treatment in the application either of the defence of Canada regulations or of any law of Canada merely because he is a member of a trade union or any other group or class of society.

Another part of the report says:

In all countries at war it has been found necessary to sacrifice personal liberty to some degree as the price to be paid for national security. The defence of Canada regulations, which follow closely those put into effect in Great Britain at the outbreak of war—

These are not my words but those of a formal resolution of the Trades and Labour Congress of Canada.

—give wide powers to proceed against persons or associations without resort to ordinary peace-time procedures of the laying of charges and formal public trial. The denial of these long cherished liberties is held to be essential to enable government authorities to act with promptitude and secrecy.

All through their discussions will be found arguments made before the Trades and Labour Congress of Canada similar to those which have been made in this house and made by some members of this house outside it; and in the report of their proceedings I find every such argument answered, argument for argument, by the leaders of the Trades and Labour Congress. The report also carries the formal resolution of approval by the congress of the defence of Canada regulations and expressing confidence in the administrator of those regulations, the right hon. Minister of Justice—all of it indelibly impressed by means of a formal resolution of approval by the congress.

Yet ever since then, public men—and naturally I am not saying anything against men in public life—state day after day that the whole purpose of the regulations and their administration is the coercion, economic, social and political, of labour and other classes

in Canada. The hon. member for Rosetown-Biggar, the other day, addressing the Minister of Justice, said: "If you are looking for subversive elements, don't keep always in the gutter". Let me ask hon. members who are denouncing the regulations and their administration: Do those things that have been done, things which are known to us here to-night, indicate that the Minister of Justice and those working with him are looking in the gutter? Was it in the gutter that they found Mr. Camillien Houde, a member of the legislature of Quebec, a former leader of a political party in that province and, at the moment of his detention, mayor of the largest city in Canada? Was it in the gutter that they found the great Italian patriot Mr. Franceschini when he was put in the internment camp? Petitions have been signed, I understand, asking for the release of this gentleman. My hon. friends should talk about looking in the gutter or above it to those who are making these demands upon the Minister of Justice asking him to release some people who are detained purely because those who are responsible for administering the regulations, those who are responsible for the safety of Canada, feel that it is in the interests of the country that these men should remain in detention.

I am going to deal now not with the regulations themselves but with the nature of the attacks made upon the regulations. I have here the speech mentioned to-night by the hon. member for Weyburn. He said that nobody in this house had ever taken exception to any of the speeches made by the member for North Battleford. I have here a speech on the budget delivered at the last session on July 2. It will be found at page 1263 of *Hansard*. The hon. member for North Battleford spoke on that occasion and I wish to give one or two quotations.

Mr. DOUGLAS (Weyburn): Did the hon. member attack them at the time as subversive?

Mr. TURGEON: I never did. My hon. friend says that this particular group has never opposed the defence of Canada regulations.

Mr. DOUGLAS (Weyburn): I did not say anything of the kind. I said that we have never opposed the idea of having regulations.

Mr. TURGEON: I say that the Cooperative Commonwealth Federation did oppose the idea of having defence of Canada regulations, that they opposed the idea of the proclamation of the War Measures Act; and the Cooperative Commonwealth party in British Columbia—

[Mr. Turgeon.]

Mr. DOUGLAS (Weyburn): Two different things.

Mr. TURGEON: The defence of Canada regulations find their very root in the War Measures Act. My hon. friend knows that; and yet that group, he says, have never opposed the regulations in principle. I say that they have opposed the regulations in principle and opposed the statute upon which they are based.

Mr. DOUGLAS (Weyburn): I must correct the hon. gentleman. At no time have I said that we never opposed the defence of Canada regulations. My party never at any time opposed the idea of having regulations for the defence of Canada, but we contended that they should be passed by this parliament and not by order in council under the War Measures Act.

Mr. TURGEON: I do not like to do this, but I have here a copy of the *Federationist*, which my hon. friend will admit is the organ of the Cooperative Commonwealth Federation in British Columbia. It is for March, 1940, and it is headed, "Cariboo Edition". On the front page there is an article by William Irvine who is a member of the national council of the Cooperative Commonwealth Federation. Under his own by-line on the front page of the Cariboo edition of the *Federationist* he says: "A vote for Mr. Turgeon is a vote for the padlock law"—I do not know where he got that—"and for the War Measures Act". What has my friend to say about that?

Mr. DOUGLAS (Weyburn): Opposition to using the War Measures Act whereby orders in council can be brought down putting into effect regulations that parliament has never seen is totally different from being opposed to any type of regulation to defend the realm.

Mr. MACDONALD (Kingston City): The defence of Canada regulations were passed when he made that statement.

Mr. DOUGLAS (Weyburn): Yes, and they were passed by order in council under the War Measures Act and this parliament never saw them except indirectly.

Mr. TURGEON: The hon. member and other members of his group, time after time, rise in their places and state that the whole objective of the regulations is labour. They sometimes apply it to the British Labour party, and then they talk of labour in general. I have just read to the house a formal resolution passed last September by the Trades and Labour Congress of Canada with regard to the defence of Canada regulations, and

they had not been discussed in this house, though they had been thoroughly discussed in that committee. May I speak a word of approval of the Minister of Justice. I say that every single recommendation of that committee relating to the defence of Canada regulations was accepted and carried out by the government of which the right hon. gentleman is Minister of Justice. Without exception, every recommendation that committee made was carried out. The hon. member for North Battleford, speaking on the budget, after calling attention to excess profits tax and that sort of thing, and people who have money, said:

> But of course that capital is something in the nature of a golden calf set up in our country, something we are forbidden to touch. That is a precedent which has been created, one which even in this time of crisis the government is going to continue to protect. Our men must suffer; they must give their lives. Our people must toil unremittingly. They will be forced to accept wages set for them. They will be forced to accept conditions, under the defence of Canada regulations. Yet at the same time the conditions I have described will go on.

Is that a proper criticism to make and to scatter broadcast throughout the country against the defence of Canada regulations?

Mr. DOUGLAS (Weyburn): Is it subversive?

Mr. TURGEON: Let the hon. member ask himself that question.

Mr. DOUGLAS (Weyburn): I say it is not subversive.

Mr. TURGEON: I am not saying it is subversive. I am not saying anything about any action against the hon. member for North Battleford. As a matter of fact, I would sincerely hope that no action would be taken against the hon. member. I am talking now about appeals to the people of Canada in this time of stress, this time of war, based upon such things as the defence of Canada regulations.

There is no one in this house who is more anxious than I am to see people who are distressed, particularly the farming population of western Canada, relieved from their position.

An hon. MEMBER: The hon. member's works do not prove it.

Mr. TURGEON: There is no man who has been a more forcible and consistent advocate of those distressed farmers than I have. The difference is that I am not trying to exploit their distress. I am not looking for publicity simply because in this country there are people in distress. I am doing as a member of parliament everything that I can to see that those who, after all, have the right of initiation of measures in this house, do proceed along lines that will bring relief to those in distress. But if I had to depend for political success upon a race for supremacy in the leadership of the exploitation of that distress, then I would wish to retire from this parliament.

One more quotation I should like to make from the speech of the hon. member for North Battleford in the budget debate. It is this:

> In my opinion there is no reason why the people should have to believe these things any longer. I wonder how long it will be before the people really realize the unnecessary burden which the government has put upon them. I cannot think it will be very long. I believe the government realized months ago that during this war crisis the people's wisdom and natural understanding of things would come to their aid and that they would rebel against unjust legislation and the unjust burden of taxation which might be placed upon them. This government had the defence of Canada regulations prepared which are instruments of coercion to be used in the future upon our Canadian people.

Is that taking active steps to relieve the distressed people whose position is pitiful as well as tragic, telling them from this parliament that the defence of Canada regulations have been devised and designed and are being administered for the purpose of coercing them into accepting policies of this government which they have just been told are the cause of the unfortunate condition under which they live?

I do not intend to take any more time. I said at the beginning that I hesitated to speak lest any words of mine should add fuel to the fires of discontent which have been started since the beginning of the war. I wish to end with an appeal to those who have been dealing with the defence of Canada regulations in the manner which I have described. Nothing is perfect; God knows this administration is not perfect; there are many acts of the government which can and should be criticized. But why must every criticism of the government be tied up to the defence of Canada regulations? Why must every deplorable condition existing among the people be brought back to some design of this government anxious—not to win the war—anxious only, they tell us, by means of these regulations, to perpetuate economic and social distress among certain portions of our people?

What I ask is that from now on, those who speak of distress should deal with it without mentioning the defence of Canada regulations, and they should deal with the defence of Canada regulations in the manner in which they would deal with any other matter that was the subject of discussion. To-night, for example, the hon. member for Weyburn dealt

with the regulations in effect in Great Britain. He mentioned some parts of section 18. But he did not read one part of that section. He spoke of the banning of societies. In Canada, while the governor in council has the right to declare an organization illegal, neither the Minister of Justice nor anyone else has the right to detain a person purely because he was at some time a member of a banned organization. Before a person can be detained under our regulations, he must continue to be a member of the association that has been banned. In Great Britain, on the other hand, the Home Secretary, corresponding to the Minister of Justice here, may pick up an individual in the British isles simply because, no matter how many years back, he had been a member of an organization that since then has been banned.

Mention was made the other day of the detention of a member of the British House of Commons. It is true that member was a fascist, as those who have been picked up in Quebec were fascists. If the defence of the realm regulations permit the Home Secretary to detain a member of the House of Commons, on what is the argument based that those regulations are less onerous than those in effect in Canada?

Mr. DOUGLAS (Weyburn): Because the minister must show cause.

Mr. TURGEON: They act in the same way. The one case with which the hon. member dealt particularly to-night was that of a man who had been taken to court, and the hon. member was criticizing the judgment of a court, not an act of administration. He may have been right; I have no knowledge of the facts; but the man was tried, not in a special court, but in the ordinary court of justice.

Mr. DOUGLAS (Weyburn): I was criticizing the vagueness of the regulations that permitted a conviction on such flimsy evidence.

Mr. TURGEON: I suggest that the hon. member study the regulations a little further.

It is no use hiding facts from ourselves; it is true that under the defence of Canada regulations some of our liberties are impaired. Is there any hon. member who will say that some of our liberties should not be impaired, having before us what has taken place in various countries in Europe? But this I say, that constitutional parliamentary government will never lose its supremacy merely as a result of deliberate parliamentary action. I say further that those sacred liberties which have come down to us, bought by the blood of our forefathers, particularly of those who come from the British isles, will never be lost to us simply because of our voluntary giving up of a little of that liberty to-day until the war is won and Canada, Great Britain, Greece and those allied with us stand as victors.

Mr. J. G. DIEFENBAKER (Lake Centre): In rising to speak briefly on this resolution, I do so because this year I shall not be a member of the committee that is being set up to consider what changes, if any, should be made in the defence of Canada regulations as recommended last year by the committee set up by parliament in that behalf.

I have listened with attention to the address just delivered by the hon. member for Cariboo (Mr. Turgeon), but I do not intend to follow him in the controversy in which he became engaged. The position I take in reference to the defence of Canada regulations, and the spirit in which I think they should be considered in this house, is to seek to ensure that maximum freedom is assured and maintained to British subjects consistent with the safety of the state. Having regard to what took place in France, Belgium, Holland, Denmark and Norway, all are agreed that strict regulations are necessary in order to ensure that subversive elements within this country shall not be permitted to carry on their nefarious work of undermining the state from within during the war.

That is one consideration which must be kept before us at all times, irrespective of any diminishing that may take place so far as those rights are concerned that are considered inalienable, namely, that the safety of the state shall be paramount. No one can deny that many of the rights which are and have been ours as British subjects for generations have, by reason of the exigencies of war, been curtailed in the interests of the safety of the state. Much is made of the fact that the right to the issue of a writ of habeas corpus is now denied, and that the prerogative right of a certiorari has been taken away. Both of these are extraordinary remedies designed to assure the rights of the subject, but it must not be forgotten that in time of war the safety of the state is of first importance.

Having approached the subject from that point of view—and on that I think we are all in agreement—the question naturally arises as to what changes can be made in the defence of Canada regulations which, while assuring the safety of the state, at the same time will assure the rights of the individual. I am not entering into the argument so often raised, that in this dominion to-day men are being imprisoned without

due process of law or that the rights which ordinarily British subjects heretofore possessed have been taken away. But I do point out, Mr. Speaker, that all over this dominion fears are being expressed by loyal and patriotic British citizens and subjects that certain persons have been interned who ought not to have been interned. In making that statement, I am merely expressing an argument that is being advanced on every hand to-day. I do not suggest in the least that the Minister of Justice (Mr. Lapointe) is not fairly discharging the responsibilities of his position. The point I make is that the argument is being advanced that all is not well. That sort of thing engenders fear, and fear results in disunity within the country.

Some argument has been advanced that these regulations, not having been passed by parliament or debated by parliament in detail, as a consequence have been foisted on the people of this country, if I may use that expression. In my view, that argument is not well founded. Last year the government brought before parliament a resolution calling for the creation of a committee of parliament to look into the situation and determine what regulations, if any, should be instituted or what amendments should be made. The committee that was set up, composed of members of all parties in this house, in the main agreed on the recommendations that were brought in. The committee's recommendations were brought before parliament by the Minister of Finance (Mr. Ilsley), who acted as chairman of the committee. A debate took place in the house with reference to these regulations in general, and particularly with reference to the question of the liberty of the subject being infringed upon.

There is only one section of the regulations with which I intend to deal this evening, and I am doing this only with a view to placing before the committee a suggestion which I think will remove a major portion of the objections which are being advanced to-day against the defence of Canada regulations as they now exist. Section 21 provides:

> The Minister of Justice, if satisfied that with a view to preventing any particular person from acting in any manner prejudicial to the public safety or the safety of the state it is necessary to do so, may, notwithstanding anything in these regulations, make an order:
>
> (c) directing that he be detained in such place, and under such conditions, as the Minister of Justice may from time to time determine.

I see no objection to this section as it stands. The discretion is vested in the Minister of Justice and he has given his explanation as to the circumstances under which that discretion is exercised.

I come now to the section which I think does cause considerable difficulty, section 22, which reads:

> For the purposes of the preceding regulation the Minister of Justice may appoint one or more advisory committees, each such committee to consist of a person who holds or has held high judicial office.

Section 26, which deals with the recommendations made from time to time by the committees so constituted reads:

> Nothing in the preceding regulations shall prevent the Minister of Justice from ordering the release of any enemy alien from arrest, detention or internment, or from ordering the arrest, detention or internment of any enemy alien.

I am not now discussing the question of enemy aliens; I am discussing the question of British subjects. I think much of the alarm that has been aroused among certain people throughout this country against these regulations would be entirely allayed if provision were made for the setting up of a committee of review consisting not of one judge but of three judges, two superior court judges and the county or district court judge presiding over the court in the judicial district within which the internee was living at the time of his internment. A certain discretion must rest with the Minister of Justice; and I say here without equivocation that in my opinion no one in this dominion has anything to fear so long as the present Minister of Justice remains the incumbent of the position which he now occupies. I think it only fair to make that statement. Many people, however, believe that there is too much power concentrated in the hands of one man in the determination of the incarceration of British subjects in custody under the regulations.

The last speaker referred to the fact that there were some who said the defence of Canada regulations were to be exercised for the purpose of coercion. That I do not believe. I suggest, however, that many of the objections thereto would be done away with, in so far as British subjects are concerned, by setting up this judicial committee of three persons. It was said the other day that judges are not overworked, and that they have more leisure time than they used to have because of the falling off of litigation in recent months and years. Judges are available therefore to undertake this work, and by utilizing their services we would do away with unnecessary delays which sometimes occur before the hearing of appeals of interned persons. To-day one man exercises the dis-

cretion of determining whether or not one British subject shall remain incarcerated and another shall be discharged.

I realize, too, a court could not be set up within the ordinarily accepted meaning of the term, and that the ordinary processes of litigation would have to be done away with, in so far as this committee is concerned. It could hear the evidence of not only the accused man but also of those who would support him in his defence; and it could have access to the confidential records of the Department of Justice. To those who say that we should set up in Canada an appeal court similar to the other courts in our land, I reply that such a procedure would be impossible to-day. Such a procedure would endanger the activities of the secret service men who make the investigations, and would destroy the efficacy of the operations of the Royal Canadian Mounted Police. In a very few months the secret agents would be known to all those who would destroy this nation from within.

That argument would not apply, however, to a judicial committee. Such a committee could listen to the evidence and would review the secret documents which are to-day reviewed by the Minister of Justice. The committee would make a decision. If the decision were not unanimous, then the discretion of determining release or continuation of incarceration for the appellant would remain in the Minister of Justice. If the three judges are unanimous in their findings, then in the interest of the safety of the subject such person, if found innocent of any offence by such a judicial tribunal, should be discharged. That would be a proper procedure in the interests of justice to the person concerned, and would be consonant with the freedom for which we are fighting.

I am not going to discuss the matter at greater length, but I would point out that in my opinion the setting up of such a judicial committee would go far toward removing the objections heard to-day against the regulations as now constituted, and would restore confidence. What is more important, it would act as an effective answer to those who suggest that to-day there are British subjects in labour unions and other organizations who are being held in custody unjustly and without trial.

I realize that many of the regulations are not more acceptable to the Minister of Justice than they are to other lawyers. But they are necessary. Someone has said that they are not definite enough and that they are not sufficiently direct. In my opinion, all the regulations are clear, direct and definite, and are not capable of being misunderstood. They are necessary in the interests of the safety of the state, because unless such regulations are in effect, all that we have and all that we are may very well be destroyed from within.

I cannot believe that the Minister of Justice would be averse to the setting up of such a tribunal of judges. In his speech delivered last Thursday, he made no suggestions as to the changes which ought to take place, but he did point out the difficult duties and responsibilities imposed upon him in carrying out the regulations. He used these pertinent words:

> I shall accept the new regulations if changes are made, and apply them with the same force and vigour and circumspection as I do to-day, using my best discretion in their application.

If such a change is made by the setting up of judicial tribunals with the powers I have suggested, I believe that the major cause of complaint to the present regulations will disappear.

Mr. BROOKS: Mr. Speaker—

Mr. CRUICKSHANK (Fraser Valley): Pardon me, I think I have the floor. My hon. friend the member for Cariboo (Mr. Turgeon) and I got mixed. We wanted somebody from British Columbia to contribute some intelligence to the house to-night, but we did not know we were both going to speak.

It is rather embarrassing to follow that excellent orator friend of mine from "Chipso", or some such place, in Manitoba. I agree with most of what he said, and I certainly agree with most of what the hon. member for Cariboo has said. But I sincerely disagree with what the hon. member for Weyburn (Mr. Douglas) has said.

I was not fortunate enough to get one of those pamphlets. I hope the hon. member for Weyburn will see that that is looked after in my mail to-morrow morning. I can readily understand the arrangements made in some of those places. I believe I am in order in quoting, if I state what I am quoting from. I hold in my hand the *Evening Journal* of Ottawa for Monday, March 3, 1941. Of course I could not quote that pamphlet to which reference has been made, and I could only see it from a distance, when the hon. member for Weyburn held it up.

On the front page of the *Journal* is a beautiful picture of Jimmy Stewart and Ginger Rogers. Possibly my hon. friend cannot see it, and I could not see the picture on the pamphlet he held up. I do not know what was in it. I am sorry the hon. member for Weyburn has apparently never been in British Columbia.

Mr. DOUGLAS (Weyburn): I have.

Mr. CRUICKSHANK: He must have passed through very quickly, and he certainly never stopped in the Fraser Valley.

I am not speaking disrespectfully, and I do not wish it to be so understood when I refer to the organization known as Jehovah's Witnesses. We can say to them, however, that we can thank God we have the Minister of Justice (Mr. Lapointe). Owing to the fact that it is a religious organization, I shall have nothing more to say about it. But I should like to say a word or two about the technocrats. That is an organization defended by the hon. member for Weyburn.

Mr. DOUGLAS (Weyburn): No, no.

Mr. CRUICKSHANK: Pardon me; the hon. member had his time, and I shall have mine.

Mr. BRADETTE: And he had plenty of time, too.

Mr. DOUGLAS (Weyburn): I refuse to have words put in my mouth. I merely said this was an organization which had been banned, without having been given an opportunity to make a defence on its own behalf.

Mr. CRUICKSHANK: I am glad to be charged with putting words in my hon. friend's mouth. I would rather have words put in my mouth, even by a member of my hon. friend's group, than have them put in my mouth by Mr. Howard Scott of New York. That gentleman attempted to tell the Prime Minister (Mr. Mackenzie King) how to run Canada, what we should do in connection with the war. Then my hon. friend wonders why they are barred. I remember hearing the Minister of National Defence for Air (Mr. Power) refer to a member last year and saying that if he were the Minister of Justice, the member would be interned. That is just what I should like to do with Howard Scott and with anyone who is a supporter of Howard Scott. Hon. members are entitled to their opinions and I am entitled to mine. I know my hon. friend means well. If he would let me put more words in his mouth before he makes his speeches, they would be much better.

I have no particular complaint to make about these defence of Canada regulations, nor have I any broad suggestions to make in that connection. I am in favour of some of the suggestions put forward by my hon. friend, but I should like to tell him how we do things in British Columbia. In Canada some 3,000,000 out of a population of 11,000,000 are of foreign extraction. There is one member in this house from my province who came out here as a poor immigrant forty years ago. I shall not mention his name because he would not like it if I did, but I can tell the house where he comes from—he comes from Skeena. He tried to enlist in the last war but he was turned down. He has a son serving in the air force in this war and a son-in-law in the army. He has a record which no member of that group can equal. He invested $40,000 in non-interest bearing bonds in this war. That is a record of which any Scandinavian family could be proud.

An hon. MEMBER: Where did he get it?

Mr. CRUICKSHANK: He got it by hard work hewing ties. If we had a little more of that spirit in this country, we would not need the defence of Canada regulations.

An hon. MEMBER: Hear, hear.

Mr. CRUICKSHANK: I am going to have my innings. I have risen in my place only twice this session, but the hon. member has risen to speak eleven times. One of the most necessary things in Canada is unity. Everyone should know that who is aware of the tremendous French-Canadian population. There is one man in this country who, in my humble opinion, has contributed more than anyone else to unity, particularly at this time. I refer to the Minister of Justice. If we did not have unity we would not be able to continue to function as a dominion. We would need to have more severe regulations. If I remember his remarks correctly, the other day the Minister of Justice said that he did not care particularly what regulations were brought down, but as long as they were the law of the land, it was his duty to enforce them.

There were no objections raised last year to the recommendations which some hon. members made in connection with these regulations. Surely everyone realizes that there must be restrictions during war time. Surely every hon. member realizes that we cannot have everyone getting up and saying exactly what he feels like. I do not know what the hon. member for North Battleford (Mrs. Nielsen) said, but anything she says will be all right with me if I agree with it. There are, however, certain members of the provincial house with whose remarks I do not agree. Anything that one member in particular would say would be all wrong with me. That member has been preaching pacifism for the last twenty years, and it is because of such preachings that we are in the position in which we find ourselves to-day.

I shall not try to equal the remarks of the hon. member for Cariboo because he is one

of our Canadian orators. Then we heard from the hon. member for Lake Centre (Mr. Diefenbaker). We do not need these defence of Canada regulations in British Columbia. Out there we obey the laws, at least most of them. Instead of trying to preach disunity, certain hon. members should try to preach unity. If they have any suggestions to make, they should place them before the committee. This action would probably save hon. members a great deal of time. I get forty circulars a day about papers being suppressed, when in fact these papers should never have been allowed to be published. I got an anonymous one the first time to-day. The leader of the opposition (Mr. Hanson) said the other day that he gets plenty of anonymous letters. This had a supposed picture of me, but they had me wearing a little toupee. That would have been all right, but they also had me with a little moustache and a band with a swastika on my arm. I was accused of having sold land to the Japanese. I do not know where they got that idea. I never gave the Japanese the vote, and I certainly never gave them any land. If my hon. friends over there would pay more attention to preaching unity and less to preaching disunity, we would find less need for the defence of Canada regulations.

Mr. A. J. BROOKS (Royal): Mr. Speaker, at this late hour, it is not my intention to deal at any length with the defence of Canada regulations, and I do not propose to discuss them from either the legal or technical point of view. Having, however, been a member of the committee which made the recommendations last year, I felt that I should make a few remarks this evening. I want to say at the outset that I agree entirely with the statements made by the hon. member for Vancouver South (Mr. Green) with reference to naturalization and the necessity for our paying greater attention to this phase of our national life. We have too many hyphenated people in Canada. I am sure that all hon. members would rather have our people called Canadians than called German-Canadians, Italian-Canadians or some other form of hyphenated Canadians. What we want is a Canadian people, and I think that if the suggestions made by the hon. member for Vancouver South are carried out, they will go a long way toward realizing that end.

I was particularly impressed with what he said was necessary to nationalize the older generations of people who come to this country, but I think we should pay more attention to the younger generation as well. As the hon. member said, this should be done through our schools. Too little attention is paid in our schools to trying to make these young people good Canadian citizens. I think we could take a leaf from the book of our United States friends. That country is often spoken of as the melting pot. That is what we need in Canada. Our foreign-born residents should be taught Canadian ideals and what the country stands for. I do not intend to say more in this connection at present.

I attended practically all of the twenty-five meetings of the committee dealing with defence of Canada regulations and I heard most of the evidence. I wish to say that after hearing the evidence of the Royal Canadian Mounted Police and that given by officials of the department administering this act, I was fully convinced of the necessity for tightening these regulations. I was one of the majority which supported them right from the start. Since joining the army, I have been more than ever convinced of this necessity.

Anyone who knows of the dangers against which we must guard in our factories, in our military camps and all over this country and of the necessity of defending ourselves against subversive elements, must realize that we cannot be too careful in the enforcement of the defence of Canada regulations. It was only the other day that I read in one of the Montreal newspapers a report that an inspector found, on his inspection of the fire-fighting equipment of a factory, that the liquid in the fire-extinguishers had been removed and replaced with gasoline. We know, too, that in our military camps we must exercise the utmost vigilance to see that fires and other forms of destruction do not occur. For these reasons I am firmly convinced that our regulations are none too stringent and that they should be enforced to the utmost.

I think it is generally recognized in this country that in time of war we must be prepared to suspend some of our democratic liberties in order to preserve democracy for the future. That is a principle recognized by the great champions of liberty in the United States, particularly by President Roosevelt, and also by Mr. Churchill, Prime Minister of Great Britain. There is a saying that in peace time it is better that ten guilty men should go free than that one innocent man should suffer, and that may have been the principle upon which some hon. members who have spoken in this house to-day have based their arguments in this and in the previous debate. But you and I, Mr. Speaker, know that principle does not apply in time of war. While I should not like to see any innocent man suffer, I believe that if a man is under suspicion and there is ground enough for such

suspicion, he should be interned for the safety of the state. He may be suspected, for instance, of blowing up a railway or setting fire to a camp or causing destruction to other property thus endangering the lives of a great many people. Proof may be impossible, yet the strongest suspicion points to him, and he should be interned.

The proof of the good administration of these regulations is in the result. One can take any criminal law upon our statute books and show this house that abuses have taken place under that law, but I have not heard very much in this house to convince me that the defence of Canada regulations have not been properly carried out. The names of two or three people have been mentioned, and it has been stated that some injustice has been done them, but I do not think that in any case this has been proved. As I said a moment or two ago, it is perhaps better that one or two men who have been indiscreet, perhaps, in their talk, if not in their actions, should suffer rather than that we should allow great damage to be done to this country in war time by allowing suspicious and dangerous men free for lack of proof.

With the hon. Minister of Justice (Mr. Lapointe) I do not agree in a great many things. As a matter of fact, his ideas and mine in some matters are as far apart as one pole is from the other.

Mr. LAPOINTE (Quebec East): Oh, I did not think it was as bad as that.

Mr. BROOKS: I am sure he is not going to worry very much over that. But with regard to his administration of the defence of Canada regulations, if he can preserve this country from the dangers of subversive elements, if he can see that Canada does not suffer in war time from the activities of these people, so far as I am concerned I am prepared to assist and support him in every way I can.

Mrs. NIELSEN: I move, Mr. Speaker, that the debate be adjourned.

Mr. LAPOINTE (Quebec East): I should like to oblige my hon. friend, but really this resolution to appoint a committee has been before the house for two days and we were hoping to have it carried to-day so that the committee might be appointed. Of course, if my hon. friend insists and the house wishes to accommodate her, I personally have no objection.

Mr. HANSELL: Mr. Speaker, the hon. member for North Battleford (Mrs. Nielsen) has been referred to several times during the debate this evening and she has not really had an opportunity to prepare an answer.

Mr. SPEAKER: If the hon. member continues, he will be making a speech and will be out of order. The motion before the house is that the debate be now adjourned.

Motion agreed to and debate adjourned.

On motion of Mr. Lapointe (Quebec East) the house adjourned at 10.50 p.m.

Tuesday, March 4, 1941.

The house met at three o'clock.

PRIVILEGE—MR. HARRIS

ORDER FOR RETURN SHOWING PURCHASES OF LAND IN PICKERING TOWNSHIP

Mr. J. H. HARRIS (Danforth): I rise to a question of privilege. On February 24 last an order was passed for a return answering the following questions:

1. Has the government bought land in Pickering township, Ontario county, during the last two years?
2. If so, how many acres?
3. For what purpose is the land to be used?

The return has been duly filed, but it is incomplete. To use a common expression, it sidesteps the question entirely, in that the Minister of Munitions and Supply (Mr. Howe) brought down a long tabulated report of expenditures being made in Pickering township. Through his department lands have been bought or expropriated, at any rate they have been entered upon; fences have been taken down, and at present there is work going on on these particular lands in that county on account of the department.

Mr. HOWE: What does the return say?

Mr. HARRIS (Danforth): The return says nothing—that is my complaint, and that is why I am raising the question of privilege. Surely an hon. member is entitled to have a proper return rather than a nebulous one of this kind. The return goes on to say that the Department of Justice has not bought any land, the Secretary of State has not bought any land, and so on and so on.

I make one further observation. Immediately that question is put on the order paper, before the printer's ink is dry, the minister's department knows all about it; they are just like watchdogs, knowing everything that happens —and quite rightly so; but to my mind there is an utter lack of frankness in imparting information to hon. members of this house when it is asked for in a straightforward way.

Hon. C. D. HOWE (Minister of Munitions and Supply): I am perhaps responsible for the return; it may be a return from the

Department of Transport. The only explanation I can think of is that it is quite possible that property has been expropriated but has not been paid for. Unless my hon. friend is prepared to give me the answer given by the Department of Transport I cannot comment on it at this time.

Mr. HARRIS (Danforth): There is no answer from the Department of Transport.

CEREALS IMPORT COMMITTEE

QUESTION AS TO PRESENT REPRESENTATIVE IN CANADA

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): Would the Minister of Trade and Commerce (Mr. MacKinnon) state who is the representative in Canada and on the Winnipeg grain exchange of the cereals import committee of the United Kingdom ministry of food?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): It seems to me I have answered the same question by the hon. member for Qu'Appelle on former occasions.

Mr. PERLEY: A year ago. There might be a change.

Mr. MacKINNON (Edmonton West): The answer a year ago was that as far as we know the cereals import committee of the British ministry of food has no representative in Canada.

WHEAT

REFERENCE TO PRESS REPORT OF DISCUSSION IN SASKATCHEWAN LEGISLATURE

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I wish to ask a question based on a report appearing in the Regina *Leader-Post* of March 1, copy of which I hold in my hand, stating that the premier of the province of Saskatchewan moved the adjournment of the house on Thursday last to discuss a matter of urgent public importance, and the house discussed the wheat policy of the federal government, or proposals the province were making to the federal government. During that discussion the minister of agriculture made this statement, having suggested 85 cents as a set minimum price:

> An objection that the price was too high was not valid because Great Britain was already paying that figure for Canadian wheat now and was willing to continue paying it.

Would the minister state what authority the provincial minister had for making that statement, and whether 85 cents is the agreed price?

[Mr. Howe.]

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I presume the hon. member for Qu'Appelle is referring to the minister of agriculture of Saskatchewan?

Mr. PERLEY: Certainly.

Mr. MacKINNON (Edmonton West): I have no idea on what he bases his statement.

INQUIRY AS TO POLICY FOR 1941-42 CROP YEAR

On the orders of the day:

Mr. T. C. DOUGLAS (Weyburn): In view of the lateness of the date I would ask the Minister of Trade and Commerce (Mr. MacKinnon) when we may expect a statement from the government regarding its policy for the handling and marketing of the 1941 wheat crop, and when legislation will be brought down to make that policy effective.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, I am very sure that the hon. member for Weyburn (Mr. Douglas) is anxious to be helpful. I am very sure also that he is well aware of the immense amount of time that my colleagues and particularly I as Minister of Trade and Commerce have been giving this question, and how anxious we all are to arrive at some finality with regard to the wheat policy for next year.

Mr. DOUGLAS (Weyburn): But spring seeding cannot wait.

Mr. MacKINNON (Edmonton West): Even in the most favoured parts of the west, in the province of Alberta from which I come, seeding will not be under way for some time yet. In any event, we are quite aware of the importance of the matter, and a statement will be made as soon as possible with regard to the 1941 wheat policy. Two or three days ago I stated that I hoped to make at least a partial statement within a few days. I hope to make that statement this week or, if not, the first of next week at the very latest.

JOINT SWINE COMMITTEE

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Has the Minister of Agriculture (Mr. Gardiner) ascertained whether or not there is a joint swine committee, and if so, will he tell us who are its members?

Hon. J. G. GARDINER (Minister of Agriculture): I notice that the question was dropped following my first request yesterday. I had understood that as a result of the discussion which followed, the question would remain on the order paper. I wonder if I might ask that it appear on the order paper

the next day questions come up. I find that there is a swine committee; I can get the names of the members, and I will give them.

DEFENCE OF CANADA

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER AND REVIEW REGULATIONS AND NATURALIZATION AND DEPORTATION LAWS

The house resumed from Monday, March 3, consideration of the motion of Mr. Mackenzie King for the appointment of a committee to consider and review the defence of Canada regulations passed under the War Measures Act, and the naturalization and deportation laws.

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, I am very glad indeed that the debate was adjourned last evening in order that other hon. members might have the opportunity to take part in it. During last session some of us thought hon. members should have been given greater opportunity to express their opinions with regard to the defence of Canada regulations. Since we have that opportunity now I feel that each of us should make the most of it and discuss all these regulations very thoroughly and from every angle and every aspect. I certainly hope the debate will not be closed before more hon. members have taken advantage of this chance to express their opinions, because I believe the country itself is very anxious to know more of what hon. members of this house think with regard to the regulations. I also hope that in particular hon. members on the government benches will take part in the debate, because it is far better to speak and risk being a goat than to say nothing and be a sheep.

Theoretically I am in agreement that there is a need for protection in this country not only against the ideology but against the spreading of the ideas of fascism in any practical manner, because we as a nation undoubtedly are fighting the spreading of that ideology among our own people, who are democratic. I feel that we are in disagreement with the ideas of fascism, which call for the supremacy of the state and so on. We must remain opposed to them, and we must do everything possible to prevent the spread of those ideas among our own people. But I do not agree that in practice these regulations are having just that effect. In some instances, of course, we have had the arrest of people supposed to be fascists, but I feel that in other cases under these regulations we have done just the contrary. Just recently I have noticed two formulations; perhaps they may be accidental, but I happened to notice them. One appears in a little pamphlet which I believe has been mentioned in this house previously, published under the direction of the Minister of National War Services (Mr. Gardiner) and called "The Two Ways of Life." In the introduction I notice this statement:

> Our way of life is the civilized way of life. It is the civilized way because under it every citizen enjoys the right to worship as he please—

That is correct. Then it goes on to say:

> —to select his own rulers, to help make his own laws—

And so on. Then I notice that, speaking on February 24, the Minister of Justice (Mr. Lapointe) is reported in *Hansard* as having said:

> In a democracy the designation of the rulers of those who are to be governed is and must be made by the vote of the people.

I do not like that word "rulers"; I intensely dislike the idea. Perhaps this idea of the government being the ruler of the people comes from the fact that within the last year this government has taken to itself unusual and enormous power. We are fighting against the idea of the supremacy of the state over the individual. We are fighting against the idea of rulers over the people. We who are democratic must always insist that the duly elected representatives of the people maintain the status of servants of the people, not their rulers.

I notice also, very happily, that on February 27 the Minister of Justice assured this assembly that the defence of Canada regulations would last only for the duration of the war. According to *Hansard* the minister said:

> They are operative in a state of emergency, and they will disappear as soon as we have peace and victory, as we hope to have some day.

I believe the minister was very honest and sincere when he made that statement; I have no reason to believe that he would be otherwise. Yet I would suggest that the Minister of Justice of to-day may not be minister of justice when this war is over. He may be retired; he may be in another office; we may have another minister of justice who is not of the same mind. The people of this nation have no other guarantee, so far as I know, than a statement by our present Minister of Justice, that these defence of Canada regulations will disappear as soon as the war is over. I do not know myself whether we should be willing to accept such a flimsy guarantee. We have no legislation upon which we can rely.

During the time of the trial of the seaman Sullivan, I believe it was, Mr. Justice Hope said that during war time we people of Canada

should be willing to put our civil rights and liberties in pawn. I must confess I do not know very much about pawnshops. I have always said that in northern Saskatchewan we have not had many social services, and this was one we did not have—the pawnshops. And I think perhaps in the past I might have been pleased to avail myself of that service. Now, when an article of any value is placed in pawn, a ticket is given in exchange, and through that ticket the borrower may redeem the article of value. Where is that ticket the Canadian people should have to-day, with which they may retrieve their freedom and certain of their rights and liberties which under these defence of Canada regulations are being taken from them?

Several hon. members have said on different occasions in the house that the government has a mandate from the people. Would it perhaps not be wiser to say "has had"? We live in a time of swiftly moving events, let us never forget that. During the last year events have moved very swiftly, possibly more swiftly than at any other time in our history. People who a year ago viewed certain things with a measure of complacency to-day view with alarm and with growing apprehension the tide of affairs within our country.

During the last year we have seen the application of the defence of Canada regulations, of which at the time of the election we had not become aware to any great extent. We have seen numbers—I do not know exactly how many—of our ordinary citizens interned without, as I say, the usual process of law and guarantee of trial. We have seen certain groups in this country called illegal. We have seen certain measures of compulsion with regard to the war effort. Undoubtedly there is in Canada to-day a certain amount of compulsion upon people who are working in factories or in various businesses in connection with the war savings campaign. Undoubtedly —and I do not believe this can be denied— unequal sacrifices are being made in this war. During the last year we have witnessed an enormous spending programme and the creation of a vast debt, a debt greater and more stupendous than the people of this nation have ever had to accept before. We have seen a serious situation in western Canada, one which so far seems almost impossible of solution; this government apparently has no solution to offer. We have seen rule by order in council. That, again, is a dictatorial and not a democratic procedure. We have seen various orders in council directed against organized labour in Canada.

I say now emphatically that many Canadians, who a year ago viewed these regulations with more or less complacency and were willing to leave them in the hands of the government, are to-day viewing them with apprehension. The regulations have not the support of the people. I say without hesitation that among many groups of people there is the growing belief that these defence of Canada regulations are being used deliberately to stifle the apprehensions of the people and the expression of their apprehension and discontent. The government is trying to silence the protests of the people. It is asking for unity, but it is trying to enforce unity of opinion. The fact that the government is using these regulations to enforce conformity of opinion is, in the view of some of us, an indication that it is well aware that the people are not unanimous in their agreement with the policy of the government and the legislation it has enacted. Moreover, I would go so far as to say that the very fact that the government is forced to put certain of these regulations into operation is an indication that it fears the expression of the people's will. There is growing discontent, and yet the government does little or nothing to eliminate the causes of discontent among our people. Rather it seeks to suppress the discontent by arbitrary rulings under these regulations. It acts as the ruler of the people, not as their servant.

Already we have heard a great deal about Mr. Meighen, and what he is reported to have said some time ago. At least he was honest. In effect he said that if an unregulated and unrestricted profits system were to be finished by this war, then he did not see what there was to fight for. I believe if any ordinary person, a member of a farmers' organization or a trade union, or a member of a relief recipients' association, had stated publicly that he did not see what there was to fight for, he would be in an internment camp cooling his heels. I believe I am safe in saying, however, that the government has at no time even thought of arresting Mr. Meighen. For one thing, the government does not fear the loss of Mr. Meighen's support, or the support of people like Mr. Meighen, and those he represents. The government can take that position because it is doing nothing, and does not intend to do anything, to limit or to restrict power, privilege or the profits system in Canada. In a time of war it is allowing—and there is not a shadow of doubt about it—a condition of profitable patriotism. We see, too, how clear it is that they need not fear people like Mr. Meighen, because legislation passed in the house and orders in council have declared protected areas for certain industries owned and controlled by monopolies in this country. We find that as an advisory com-

mittee the government has brought in business executives of some of the greatest monopolies and corporations in the country.

We know there has been no endeavour to conscript wealth. We are continuing to pay the interest on the loans we make from the great banks. All these things assure people like Mr. Meighen and his representatives that there is nothing to worry about. Therefore this government does not fear any expressions by Mr. Meighen. Well, that is all right. It is quite all right for Mr. Meighen to express himself in that way. But if Mr. Meighen is free so to express himself, then let us all be free to express our opinions.

It has been stated that roughly from one-third to one-half of all the people in Canada are earning less than $1,000 a year. Among that group of low-income people a certain amount of opinion is being expressed, not openly at public dinners, as Mr. Meighen is able to express himself, but among themselves. The people are saying many things. Some of them are saying: "If we are going to have conscription, conscription not only by legislation but by economic pressure, instead of being permitted freely to support the war effort; if we are to have compulsory saving introduced into this country; if our farmers are to be the neglected people and to suffer unduly from the burden of this war through no fault of their own but from loss of markets; if we are to be taxed so that we cannot even maintain health and strength in our families while corporations and monopolies are making greater profits during this time; if the banks are to get enormous interest, thereby hanging a burden of debt over our children in the years to come greater than we have had before, and if we are to lose our civil rights and to have no guarantee that they will be returned to us," is it any wonder that they say, "we can hardly see what we are fighting for?"

But the government does fear expression of these opinions. It does not intend to allow opinions of this kind to have expression because the government intends to continue the things about which the people would like to express their opinions adversely. It is clear that the government does intend to tax the low income groups. It is encouraging compulsory saving and it is allowing interest on debts to accumulate. It is not enforcing by legislation equality of sacrifice. By various orders in council it is impeding the trade union movement in this country. It has offered no constructive policy to agriculture. The government knows that as long as it conducts this war there will be a greater number of Canadian people who will want to express themselves as being against the government policy. Therefore I have no hesitation in saying that these regulations are being used to suppress the free expression of the people's will.

With regard to my own pamphlets, I have very little to say. I have noticed that various hon. members of this house have been a little interested, maybe a little amused over these pamphlets. Personally I have not thought a great deal about the matter. In fact the government has never intimated to me in any way, shape or form why they did what they did. I have formed my own opinion about why that action was taken. I regard the thing which the government did as being somewhat of a little blunder on their part. I refer to the taking of the pamphlets by the police. I think that was done deliberately in an attempt to intimidate not only me but the rest of the people of this country who were interested enough to want to read what a member of this house had said. After all is said and done, the best laid schemes of mice and men and governments gang aft agley. The attempted intimidation was not successful. In fact I feel I should thank the government for some good advertising.

In return I may say that I have done my best to advertise the government's little pamphlet. All hon. members know it. On various occasions I have spoken to the people of Canada about this twenty-five cents' worth of good information and told them that they should read it. But I have also told them that if these regulations are not amended to protect in essence the people of this country from the things from which they should be protected, the new edition should have across its front a different title; it should be called, "Defence of Capital Regulations."

There has also been intimidation of our working people. Theoretically this may not have been intended, but in practice it has taken place. I believe certain members of the trade union movement have been arrested. The other day the Minister of Justice said that they had been arrested because they were communists. Not long ago I came across a copy of an address which had been made by the lawyer who defended Pat Sullivan of the seamen's union. This speech was delivered to the Civil Liberties association, of Toronto, at Emmanuel college, university of Toronto on November 1, 1940. This lawyer had had access to far more material than had hon. members of this house or the general public. I should

like to quote briefly a few of the things he said about the arrest and internment of these trade union leaders. I quote:

Is the existence of regulation 21, administered by the policy, illustrated in the Sullivan case, of denying the detained person any particulars of the things held against him, forcing the accused to assume the onus of accusation and proof without knowing what he is expected to establish or refute, designed to assist our social effort at this moment? Does it rather encourage at least suspicion that the use of this arbitrary power may be associated, at least in part, with class or economic or political interests?

Let us examine two or three of the cases and see how they work out in actual result. Let us take the Sullivan case again to begin with.

Sullivan's arrest took place in June, just as the seamen's conciliation board was emerging from the first stage of its public sessions and was about to enter into private conference with the officers of the union and with representatives of the major companies for the purpose of trying to effect an agreement between the parties.

In point of time Sullivan's arrest seemed to fit in with the particular interests at the moment of the employers. The Department of Justice asserts that this was "the long arm of coincidence." I, personally, accept this assurance in good faith. But I am not a seaman, relying upon the union and the aid of its executive officers for concrete results in the matter of my livelihood. If I were, and found myself directly and injuriously affected by Sullivan's arrest just as he is to step up to bat for the winning run, I might feel differently. So might you, if you were such a seaman.

Again he goes on to say:

Let us take the case of one David Sinclair, also connected with the seamen's union. Sinclair was editor of the union's paper. He appeared with executive officers of the union at some of the conciliation board's hearings. He was arrested in Montreal, taken into detention under order of the Minister of Justice and sent to an internment camp early in the month of September. The grounds disclosed in his case are merely that representations have been made that he is (a) a member of the communist party, (b) a communist agitator.

A day or two before Sinclair's arrest, ballots had been counted in the Department of Labour at Ottawa of seamen employed in one fleet of shipping vessels, some 38 or so vessels in number, as a result of a vote ordered by the conciliation board, to determine whether or not these men desired to be represented by the union. The company had insisted that the men had no such desire. The result of the vote was that some 95 per cent or 97 per cent voted in favour of union representation—this, incidentally, several months after Sullivan's arrest and detention.

On the day before Sinclair's arrest he filed with the Canadian Press in Montreal, as publicity director for the union, a statement announcing the result of the vote, which would be followed by negotiations with the company for an agreement. The press announcement did not appear the next day, but neither did Sinclair.

There are probably as good reasons for the non-appearance of one as for the disappearance of the other, and reasons quite independent each of the other. I do not know them. You do not know them. The seamen and their friends do not know them. The advisory committee will, but Sinclair and his counsel, so far, do not and probably will not. What conclusions, however erroneous, would you arrive at if you were a seaman or the friend of one?

If only these people were given the right of trial where truth could be brought forward there would not be the feeling of suspicion which exists in the minds of our people that these arbitrary regulations are being used in certain cases, not in favour of the people but rather in favour of a group in this country which has power and affluence.

Considering again other minority groups, one might mention the case of the Ukrainian people, the Ukrainian labour temple association. That group of people have carried on in this country a marvellous work. They brought with them from Europe some of their handicrafts and their dances. Their musical festivals have been one of the finest things they have been able to give to this country. I heard one time the cultural work of this Ukrainian group described as "an oasis of beauty in the arid desert of Canadian culture." And yet to-day that group is declared illegal! About a hundred of their buildings scattered across this country, built by themselves, by poor working people with their nickels and their dimes, have been taken over by the custodian of enemy alien property. These people are not enemy aliens. They are Canadian citizens, some of the finest we have in this country. How can you expect unity when you treat a minority group in such a way? For years they have been fighting against fascism and fascist tendencies, not only in Germany and Italy, but wherever they show themselves, and they have some experience from the past to guide them. These people have some of their property to-day in some cities rented to another organization which right up until before the beginning of this war was openly in support of Hitler. How these things must hurt! This government is asking for unity amongst all our people while at the same time it is doing the very things under the defence of Canada regulations which must absolutely preclude the possibility of unanimous support.

Again there is the *Canadian Tribune*, a paper which has been mentioned in this house before. I feel sure, and I repeat, that in the suspension of this paper there is a desire to intimidate those who have been reading it by trying to make them believe that the paper itself is a subversive organ. The Secretary

of State (Mr. Casgrain) when he mentioned this paper said to the house—I quote from *Hansard* of February 27 of this year:

I have in my hand one of the last issues of this newspaper, dated February 1, 1941. I need not read it to the house, but it contains references to certain speeches and utterances of a member of the British House of Commons.

How terrible! Fancy any Canadian paper publishing a speech made by a member of the British House of Commons! What an excuse! Of course I know that the minister went on to say he thought this paper was subversive because it was promoting the ideas of the communist party. But hon. members who are conversant with the rise of fascism in Italy, in Germany, and more recently still with that terrible arising of fascism in France, will know that those who had the power used the same old Red bogy. They brought it out of the cupboard to scare the people. The Red bogy—that was the thing that mattered. As long as the Red bogy was there the people would be afraid to do anything but what the people in power wanted. In Italy and in Germany this Red bogy was brought out to scare and intimidate the people, and here in Canada you find the same thing happening. In France recently by arbitrary decree we saw, because of this Red menace which was supposed to be there, the imprisonment of thousands of French people. There may have been a proportion of communists among them, but there must also have been hundreds who were simply the leaders of the working people, in their farmers' groups, trade union groups and others, men and women who had been fighting fascism. But they too were imprisoned—the very people who if they had had their freedom would have defended France to the very last ditch. But they were imprisoned, and it was the government, and big business control behind the government, which imprisoned them and then turned around and betrayed France into the hands of Hitler.

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

Mrs. NIELSEN: No, I will permit a question afterwards but I have not very much time left.

We have the same kind of thing beginning to spread in this country. Attempts are being made to scare us. Reference was made a while ago to an article by Commissioner Wood in which he stressed the Red menace. I say to you, Mr. Speaker, and hon. members, there is far more need for us to fear that the powers that be in this country are not under the proper supervision of the people but are allowed, at the expense of the people, to dictate to this government, whose profitable patriotism may lead this country into very severe and very terrible consequences.

I would urge that this committee which is to be set up consider in great detail the few things which have been brought to its notice and do what is possible to amend such of these regulations as restrict the expression of view of the people.

When the minister was mentioning the *Canadian Tribune* there was one thing to which he took exception, and that was that the *Canadian Tribune* gave some publicity to a large conference of the British working people which was held in England, in January of this year I believe. The Daily *Mirror,* one of the large newspapers of England, described the people who went to that conference as ninety per cent honest-to-God British citizens. If we in this country have not the right to know what honest-to-God British citizens are saying, well, I think perhaps we have not the right to call ourselves a democracy. I have every reason to believe that there is in this country a large body of thought which perhaps I might call honest-to-God Canadian thought, far removed from the reds, and which to-day is seriously criticizing these arbitrary regulations. The *Canadian Tribune,* although its circulation was not so great, might have linked up this feeling of the people from the east to the west of Canada. It might have helped to organize the protest of these honest-to-God citizens of Canada against this government, and that is possibly one reason why the *Canadian Tribune* has been suspended. I see no reason why we should neglect to consider these things in their various aspects.

In war time there is always a certain amount of hysteria which is purposely spread among the people to keep up their enthusiasm, and I know that there are many people in Canada today, and possibly some members of this house, of whom it might quite easily be said that under the pressure of war hysteria they are more or less prepared to let the government go ahead and do as it will. But I would say to you that in times like these we have every reason to think deeply and to think well. We must not let ourselves be carried away by emotional appeals. The British working man has a little saying which will perhaps give you some idea of what he means. Of course the British working man is not very careful of his language and I hope, Mr. Speaker, you will excuse me for repeating it. The British working man says: "You must never let your bleeding heart run away with your bloody head." I feel that many people to-day under the influence of war hysteria are allowing themselves to be

carried away. They are not looking at these regulations and observing their effect upon our people. If these regulations continue as they are now, where is the right of the ordinary citizens to express themselves, the right of the ordinary citizens to defend themselves against what they believe to be injustice? If these regulations continue in their present form I for one feel that this government will no longer have any right to call itself a democratic government of the Canadian people.

Mr. W. R. McDONALD (Pontiac): Mr. Speaker, during the course of the debate on this resolution reference has been made to the suppression of certain newspapers and pamphlets on the ground that they were subversive of Canada's war effort. In speaking to the resolution I wish to refer to a newspaper or pamphlet which, while I do not go so far as to say it is subversive of Canada's war effort, is, I do say, subversive of national unity in Canada. I refer to a pamphlet or paper entitled "The Gospel Witness," edited by the Reverend T. T. Shields who, I understand, is pastor of a church in the city of Toronto.

I do not know how I come to be favoured with the receipt of these copies, except that, the contents of it being of a very insulting nature to the Catholic faith and the members of that church, the reverend gentleman thought he was privileged to add injury to insult and forward copies to the Catholic members.

It would take me all afternoon to read all the articles contained in these several copies that I have before me, with their insulting references to the Catholic church and its members. I will not take up the time of the house except to give one or two excerpts so that hon. members will have some conception of what is contained in this sheet, published by a clergyman belonging to a religious denomination which I respect, as I respect the members of every denomination throughout this country. That respect which I give to the members of other denominations and to the religious belief of every other, I expect to be given to mine. Consequently it is not in anger but rather in sorrow that I shall give these excerpts.

In the issue of this journal of January 2, 1941, there is an extract from a sermon preached in Jarvis street Baptist church, Toronto, on Sunday evening, December 29, 1940. One clause reads:

> So is it of that religion which makes a man only a part of a great church. That is Roman Catholicism. Roman Catholicism is religious totalitarianism. Salvation is in the church. Everything is to be sacrificed for the church: the individual does not count. That is not Christian; and that view, whether applied to the state or to religion, is essentially pagan and anti-Christian.

In another issue the same gentleman, this time giving a title to his sermon—"The Protestant Samson and the Papal Delilah"—writes:

> I shall never advocate any degree of appeasement anywhere at any time with popery. It is a religious racket, an organization which exists to make merchandise of the souls of men. The more I know of it the more I am driven to the conclusion that its officers must either be suffering from some terrible delusion or otherwise they must be outright knaves. It seems impossible to me to believe that any reasonable man can seriously believe the burlesque of Christianity that calls itself Roman Catholicism. I know how vicious it can be. I know very well that its agents sometimes reckon they are doing God service when they actually kill. The bloody history of the Roman church proclaims that fact.

Speaking in this house as a humble member of that church, and, I believe, speaking in the names of four million Roman Catholics throughout this country, I protest with all the vigour of my manhood against the publication and circulation of such material. Thus the reverend gentleman throws his gratuitous insults into the faces of the Catholic population of this country. This is his conception of his duty as a religious leader to preach the doctrines of unity amongst all classes and creeds who so ardently desire the unity of our people during the most critical period in the history of our country.

I should like to ask the members of this house and the people of the country whether, in their opinion, such expressions and statements as I have just cited tend to bring about the unity which we so strongly desire in Canada in this most critical time of our history. It is not for me to pass judgment upon the reverend gentleman, but I would respectfully remind him of the words of the Master: "A new commandment I give unto you, that you love one another." I would ask that he respect this commandment and preach this doctrine of love instead of hatred.

Mr. JOHNSTON (Bow River): Does that apply to Jehovah's Witnesses?

Mr. McDONALD (Pontiac): I am not speaking of Jehovah's Witnesses. I am dealing with these articles which are before me at the present time. I know nothing about Jehovah's Witnesses and I have nothing to say against them.

Mr. JOHNSTON (Bow River): It should surely apply to everyone.

Mr. DUPUIS: They have just as much love for Catholicism as the others.

Mr. McDONALD (Pontiac): After all, this church of which the reverend gentleman speaks so derogatorily has weathered the tempests and storms of two thousand years, and not in this year of grace 1941 can this reverend gentleman, doughty warrior though he may be, hope to make her rock upon her foundations or bring about her destruction. Feeble indeed will be his efforts to blast this rock of ages.

Since the beginning of this war, on divers occasions, especially over the radio, our beloved king, the President of the United States, the worthy Prime Minister of Canada, have pointed out to the peoples of their respective countries that in this time of crisis we need divine help, that it is our duty to pray for divine assistance. With that idea in mind—and these sentiments, might I say in passing, are worthy of the men who uttered them—an invitation to prayer on the part of the Canadian people for themselves and our allies in this war was issued. The lieutenant governor of Quebec a few weeks ago issued a proclamation setting aside a certain Sunday as a day of prayer throughout that province. The great service in the province was held in Notre Dame cathedral in Montreal. The worthy Minister of Justice (Mr. Lapointe) was an invited guest there and also was invited to recite a prayer. This prayer I have before me. The reverend gentleman about whom I have been talking must even criticize that attitude on the part of the lieutenant governor and the clergy of the province of Quebec. I quote part of the prayer which the Minister of Justice read on that occasion, and I ask hon. members and the people of this country if there is anything in it which might not be said by any member of any denomination in Canada to-day. The portion I read is this:

> We humbly beg of Thee, O God of mercy, to have pity on us and to give us victory. Especially give to humanity the victory of right over might, the victory of justice over injustice, the victory of charity over egotism, the victory of Thy divine rights over sacrilegious usurpations.

That is part of the prayer recited by the Minister of Justice on behalf of the Catholic lay population of the province of Quebec. Yet even that has been held up to ridicule by this distinguished clergyman in the city of Toronto. Nothing that can be done from the Catholic point of view but must be criticized and held up to ridicule. And we, numerous body that we are in this country, are supposed to do like the ostrich, hide our heads in the sand and take this abuse from him.

In sermons and speeches of this kind it is also the habit and the custom to speak of the loyalty of the province of Quebec. That must be always brought up. It would seem to me that this question has been before this house on divers occasions, speeches were made reflecting on Quebec's loyalty and answers given thereto; and the answer made was clear and distinct enough. If to-day from the flagstaff of these buildings there flies the union jack it is because on two historic occasions the French-Canadian population of the province of Quebec stood loyally by and saved Canada for the British empire. Nevertheless the old bogy of French Canadian disloyalty must be trotted out to serve the purpose of selfish individuals.

Again this distinguished gentleman, in an article appearing in the same paper, entitled "The Religious Aspects of the Sirois Report," writes as follows:

> But the indisputable fact is that the Roman Catholic church, like a malignant parasite, has fastened itself upon the body of Quebec and is draining it of the last drop of its blood, reducing it to something little better than an emaciated political skeleton, if the report is to be believed.

That is, the Sirois report.

> And then this same malignant parasite stretches out its tentacles, and through a "handful of French Canadians led by Mr. Ernest Lapointe" seeks to wrap itself about the vitals of the whole dominion—including this province.
>
> And on what grounds does Quebec demand these exceptional favours? Her superior loyalty? Her unusual service in peace or in war? The report tells us she was against us in the last war, and implies she is against us in this. The report tells us she was against us in the last war on religious grounds: on the same grounds she is against us in this. In the last war she was against republican France because of its "anti-clericalism". . . . She was behind in enlistment in the last war: she is behind in this. I can only assume that French-Canadians, left to themselves, would be as loyal as other Canadians of other racial origin. . . .

That is a gem, Mr. Speaker. "French Canadians left to themselves would be as loyal as other Canadians of other racial origin." The French Canadians of this province are as loyal as Canadians anywhere and have not to blush for their loyalty in comparison with any others. The article continues:

> . . . and in the insistence of Premier King's chief, Mr. Lapointe, that this report should be considered now, there is an attempt, under a specious plea for national unity, to fasten a blanket mortgage on the whole dominion in the interests of the church of Rome; thus to compel non-Romanist taxpayers, whether they like it or not, indirectly to contribute to the propagation of Romanism.

We in the province of Quebec, Mr. Speaker, admit that there is a certain element there that are probably not as anxious to do their bit in connection with the war as others. But also we know the history of these few people,

we know what brought about the increasing numbers of that nationalist body some years back. I do not want to go into political matters, but in order to get the background of an argument sometimes it is necessary to bring out these things. A certain body in the province of Quebec, whose attitude at the time Laurier was in power was one of opposition to the naval bill, were encouraged by the then Conservative body in Quebec to fight against the Liberals. In order to attain victory in 1911 the Conservatives financed these men, who were preaching a doctrine of rather less than loyalty to the British empire. What happened? In the election of 1911 victory was achieved by the Conservatives chiefly because of the number of seats gained in the province of Quebec, and ever since that day we have had to fight this nationalist body. It will be recalled that only a year ago last fall the Minister of Justice took his political life in his hands when he went out and fought that nationalist body in the provincial campaign. The result is well known; the Liberal party came back to power. Only last spring, in the federal election, the Minister of Justice, together with the other ministers and all members from Quebec, fought the same fight. The result is well known to-day; a majority of the voters in sixty-five constituencies out of sixty-five in Quebec returned Liberal members, supporting this administration, the party of unity which is carrying on the war. That was the answer of Quebec at that time; that is her answer to-day. I said a majority of the voters in sixty-five constituencies supported the Liberal party. There is a single exception, but that does not prove my statement to be incorrect. The gentleman who represents the nationalist body in this house is here by virtue of a decidedly minority vote.

It was only after very serious consideration, sir, that I decided to bring this matter to the attention of the house, realizing as I do how difficult it is to discuss these issues without having wrong motives imputed, as well as the danger of causing divisions among our people. Nevertheless in the interests of national unity I felt it my duty to do so. No racial or religious difference divides the gallant men who are serving in our army, our navy and our air force; and it is my humble opinion and belief, sir, that the people of Canada desire to constitute themselves a solid unit behind those gallant men in a coordinated effort to prosecute this war to ultimate victory. Could my words reach the ears of the reverend gentleman whom I have been discussing this afternoon I would respectfully submit to him that in the interests of peace and harmony in our country, and for the sake of the cause which he claims to have at heart, he should refrain from the publication of these articles. In the event of his refusal to do so I would suggest to the Minister of Justice, who is charged with the enforcement of the defence of Canada regulations, that the *Gospel Witness* be suppressed for the period of the war, on the ground that the articles published therein are subversive of national unity.

[Mr. W. R. McDonald.]

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, it was not my intention to take part in this debate, but because of certain statements that have been made since the debate began, I feel I should say a few words.

I wish to refer particular to statements made by the hon. member for Comox-Alberni (Mr. Neill) when he spoke on this question last Thursday. The hon. member quoted from a newspaper statements alleged to have been made by Mr. Cameron, one of the Cooperative Commonwealth Federation members of the British Columbia legislature, concerning the war savings certificates campaign. By means of insinuations the hon. member for Comox-Alberni tried to leave a number of impressions with hon. members. First, he tried to leave the impression that in his opposition to this form of war financing Mr. Cameron was speaking for the Cooperative Commonwealth Federation. I wish to say most definitely that this is not the case. Our position on that question has been stated by the hon. member for Rosetown-Biggar (Mr. Coldwell), and also by myself. Our position is that we are not opposed to the war savings certificates so long as only people who can afford to contribute are asked to subscribe, and so long as no one is coerced. In order to show what I mean in that regard, I should like to quote about half a dozen lines from an editorial which appeared in the Montreal *Gazette* of February 26:

> An elderly woman in Regina, Saskatchewan, last week signed a pledge to purchase one war savings certificate every month. Her income is $20 a month, a sum she receives on a pension. To the canvasser who supplied the pledge form she said she could buy one certificate each month by doing without one meal each day.

We can admire that kind of sacrifice, but it is the sort of sacrifice that is not doing anyone any good. It is only when pressure is brought to bear to get such people to subscribe, that we are opposed to this war savings campaign. Our position on the question is also indicated by the fact that when the campaign started, our British Columbia executive appointed two of its members to cooperate with the provincial war savings committee.

I hold no brief for Mr. Cameron; indeed, we differ in our views on many questions, although I doubt if our differences on these matters are very much greater than those which exist between the members of the various other parties represented in this house. In the Montreal *Gazette* of yesterday, Mr. Cameron replied to the strictures placed upon his remarks by the hon. member for Comox-Alberni; and I think that since Mr. Cameron is not here to state his position for himself, it would be just as well to put it on record:

I oppose them—

That is, war savings certificates.

—because they set a precedent for financing the war by loans instead of by taxation. I object to married loggers and miners and other low income groups being badgered to contribute, while the government allows others to enjoy lavish incomes. For instance a single man with no dependents with a $5,000 income pays only $615 dominion income tax.

I think that is correct, with the exception that the national defence tax is not included. He continues:

The government tells us that the national house is on fire, and we must all help to put it out. I have no objection to doing that. I did it once before, which is more than many of my critics did. But I object strenuously to paying rent to enterprising fellows who have managed to corral all the available buckets, and to paying royalties on every gallon of water we need to put the fire out, to the patriotic gentlemen who have a stranglehold on the wells of finance.

Personally I think that is a position with which it is difficult to find fault.

The second impression the hon. member for Comox-Alberni tried to leave with the house was that there was a close relationship between the party to which I belong and the communist party.

Mr. NEILL: Hear, hear.

Mr. MacINNIS: The hon. member for Comox-Alberni is noted for always being able to bring a debate down to his own level. If that close affinity exists between ourselves and the communist party, I would ask, as it has been asked many times before, why the most violent vituperation of the communist party is reserved for the members of this group. I believe I have the distinction of being the only member from British Columbia in the house who was opposed by a communist party candidate in the last election. That is a distinction I have held in every election in which I have been elected to the house. It happened in 1930, 1935 and 1940; and may I tell the hon. member for Comox-Alberni and other hon. members that it has not come about because of any friendship or any identity of interest with the communist party.

That party has always considered social democrats more inimical to its growth than the more orthodox parties, such as Liberals and Conservatives. Social democratic parties favour social reform, and the communist party desires revolution and dictatorship. Because of that, at the time of an election we always find them supporting the candidates of the old parties, when a candidate of the Cooperative Commonwealth Federation is in the field.

Mr. TURGEON: That is not true of British Columbia, apart from the hon. member's seat.

Mr. BRADETTE: That is not true of northern Ontario, either, I may tell the hon. member.

Mr. MacINNIS: It is true everywhere. I have seen instructions which have gone out, proving that it is true.

Mr. BRADETTE: In Kirkland Lake and Timmins I have seen the communists parading with supporters of the Cooperative Commonwealth Federation party.

Mr. MacINNIS: Communists would rather have a government formed by the party of my hon. friends opposite than by the group to which I belong. The party opposite stands for the status quo, and the status quo cannot be long maintained without the inevitable explosion which would lead to revolution. As a matter of fact, that is not only the situation as it applies to Canada, but the situation in every other country.

Four or five years ago I visited Europe and met representatives of the various social democratic parties there. In each of those countries I confirmed what I had learned from reading, namely, that the communist party was more opposed to the social democratic parties than to the capitalist groups.

Mr. REID: Would the hon. member answer a question?

Mr. MacINNIS: Yes.

Mr. REID: Is it not true that while in 1933 the communists in Germany had been opposing the social democratic party, when they saw the rise of Hitler in progress they joined forces with the social democratic party with a view to defeating the other groups?

Mr. MacINNIS: I was going to touch on that point, because the opposite is the truth. The communist party has been consistently opposed to the British Labour party, and has consistently vilified it. It has been consistently opposed to the Labour party and Labour government in New Zealand, and the Labour party in Australia. It has always opposed the social democratic party in Sweden; it

was always in opposition to what was formerly the Labour party in Norway and to the social democratic party in Denmark.

I come now to the question raised by the hon. member for New Westminster (Mr. Reid). The same thing was true in Germany, prior to the coming of Hitler. There the slogan was, "After Hitler, we come." It is a matter of history that the communist party joined with the nazi party in the reichstag to defeat the social democratic party, and it joined, too, in the general strike.

Mr. REID: That was earlier.

Mr. MacINNIS: No. Hitler came in in 1933, and it was not until 1935, when the Moscow line changed, that there was any attempt by the communist party to bring about a united front with other parties. Personally I have consistently opposed them, not only in recent years, but for the past twenty-two years. I have done so because I felt we did not have anything in common.

In the debate which has taken place, hon. members, particularly those from British Columbia, having had no effective answer to the criticism of the defence of Canada regulations offered by the hon. member for Rosetown-Biggar and the hon. member for Weyburn (Mr. Douglas), stoop to insinuation, and attempt to confuse the issue by suggesting that we have been criticizing the Minister of Justice (Mr. Lapointe). Such is not the case. I have stated in public and in the house my high regard for the Minister of Justice. I have said that so long as we are going to have the defence of Canada regulations administered in the way in which they are now administered I do not know of any other man in Canada I would rather have administer them. But—

Mr. HANSON (York-Sunbury): "But"—

Mr. MacINNIS: —freedom is a precious thing. Freedom is too precious a thing to leave in the custody of any individual, no matter how honest he may be or how great his virtues and moral integrity may be. The Minister of Justice is human, like the rest of us, and we would be making a mistake if we took the position that everything was all right so long as he was administering the regulations. It is not a change in the person of the Minister of Justice for which we are asking; we want a change in the defence of Canada regulations themselves, and a change in the procedure by which they are administered. That is a simple matter. Whether or not it can be done is another question. I said a moment ago, and with this I have finished, that the hon. member for Comox-Alberni had the faculty of bringing all debates in which he takes part down to his own level, which is not very high. Leaving the question under discussion, he concluded his remarks with these words:

> The picture is like this—pro-Jap yesterday; anti-Canada to-day; pro-nazi to-morrow!

Such remarks come with poor grace from the hon. gentleman who, in 1936, praised the agreement between this country and Japan at a time when I proposed a resolution providing for the exclusion of orientals. Two years later, in 1938, he denounced this same agreement in the most violent language. If those are his principles, of course that is his own business.

Mr. TURGEON: The hon. member just said that in 1936 he moved an amendment to exclude orientals. My recollection of his resolution is that it was to permit orientals to vote, but that if we did not permit them to vote they should be excluded. The right hon. Prime Minister (Mr. Mackenzie King) interpreted the resolution as being one to exclude orientals. The then leader of the Cooperative Commonwealth Federation, the hon. member for Winnipeg North Centre (Mr. Woodsworth), took exception to the interpretation of the Prime Minister and stated that it was a resolution of the party to give votes to the Japanese.

Mr. DOUGLAS (Weyburn): The hon. member's recollection is not very good.

Mr. MacINNIS: It is fortunate that these things are on record. My resolution was definitely one for exclusion. It is true that it was worded in such a way as to show that exclusion was on the ground that, because of race or religious belief, we did not give them all the rights and privileges of citizenship; that for those reasons they should be excluded from the country. It was a resolution for exclusion, and if the Prime Minister considered it in that light I think he was right.

Mr. TURGEON: What about the leader of the party for which the hon. member was speaking?

Mr. MacINNIS: That does not matter. It is the resolution that matters. I do not know what he said; I have not the record before me. My hon. friend has not quoted the record. He has given us his recollection of the resolution. If that recollection is wrong, I can only assume that his recollection with regard to what was said by the hon. member for Winnipeg North Centre is equally wrong.

I was going to finish by saying that if the hon. member for Comox-Alberni has no higher

principles than those to which I have referred, that, of course, is his business, but in the circles in which I move such somersaults as he is able to make are known as political opportunism.

Mr. ANTHONY HLYNKA (Vegreville): Mr. Speaker, I had not intended to speak on this resolution, but after listening to the remarks of the hon. member for North Battleford (Mrs. Nielsen) I feel I should say a few words. The hon. member made some serious accusations against one of the Ukrainian organizations in Canada. I regret having to be the one to correct her, but perhaps she has insufficient information about the organization and has based her accusations upon false or ill-advised information from groups in whose interest it is to belittle this Ukrainian organization so that its members cannot help Canada in her war effort as effectively as they are doing at the present time.

The hon. member has travelled from coast to coast, speaking in different centres of Canada, and she has made similar accusations against this organization. She has said that until recently it supported Hitler. That is a serious thing to say, either on the floor of this house or on the public platform, during a time of war. It tends to discourage the members of this organization when they know that members of the House of Commons do not take the trouble to find out the facts and get their information straight. I assume that most of those interested in the statement made by the hon. member will read *Hansard* and see exactly what she has said.

I do not intend to take up the time of the house to explain the stand of each of the Ukrainian groups in Canada. On some future occasion I hope to be able to give hon. members the facts with regard to their ideologies and the courses which they have pursued in the past and are pursuing at the present time. At the moment I should like to leave the matter as it stands. I can only say to the hon. member for North Battleford that she would be well advised to get her facts straight. I suggest also that she try to be fair to all organizations regardless of the fact whether or not they openly support her.

I hold no brief for any one particular Ukrainian organization, but I could not remain in my place and hear such reflections being cast upon them without making a reply. I believe that among all such organizations in Canada this organization actually had the highest percentage of enlistments in the Canadian forces at the beginning of the war. Such accusations cast in its direction are absolutely false and ill-advised.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, this resolution provides for the setting up of a committee to consider the defence of Canada regulations and the law relating to naturalization. The qualifications for naturalization in Canada are not as strict and exacting as they should be. They require at least a year's residence in Canada with the previous four years in the British empire. The applicant for naturalization is supposed to have an adequate knowledge of the English or French language, but it is not necessary that he should be able to read or write. I suppose he must be a decent man, have no record of crime, and so on. It is a great privilege to become a naturalized citizen of Canada and a subject of the British empire. The qualifications should be more than an adequate knowledge of English or French. There should be some way of finding out whether an applicant recognizes the responsibilities involved in becoming a British subject and a Canadian citizen. He ought to know something of the history of this country and of how the benefits which he is obtaining have been won and handed down, of how hard it has been for the people of the British empire to obtain the privileges they enjoy to-day. He should be willing to accept and should be impressed by the necessity of accepting the obligation which goes with the privilege of becoming a British subject. If he has not got that thoroughly in his mind, there should be some way of educating him so that he will recognize that obligation fully. We do not want people to become naturalized British subjects or Canadian citizens simply for the benefits they are going to get out of naturalization. That reminds me of the man who was seeking naturalization in one province and, when asked by the judge why he wanted to become naturalized, said that he wanted to get a game licence. Naturally his application was turned down, but undoubtedly there are people who want to become British subjects for the privileges that go with our citizenship, and who do not want to accept the responsibilities of the citizenship which they assume.

Another thing. I think more instruction should be given in the schools in the history of the fight for the rights which go with citizenship in the British empire and Canadian citizenship. If more instruction were given along this line the fathers and mothers of the children who are attending school to-day would realize better the obligations and privileges of Canadian citizenship.

I feel strongly—this has been mentioned before but I think it will bear repeating—that naturalization should be more of an impressive ceremony that it now is. The applicant should not simply have to go into some back office, stand up and raise his right hand and

say "I swear," and that be the end of it. Naturalization should take place in the form of a ceremony which would impress the candidate and make him realize that he is assuming the obligations of citizenship. Not enough of them do recognize that, although they recognize clearly the benefits which they are obtaining.

Just a word with respect to the defence of Canada regulations. I have in my riding in Toronto, and there are also in the adjoining riding and in fact all over Toronto, a great many new Canadians. They are fine citizens. There are, I suppose, in Canada altogther some 2,000,000 new Canadians of foreign birth or descent. Not the slightest shadow of doubt should be cast on the loyalty of these new Canadians as a group, because as a class they are just as loyal as any other class of Canadians. They have been the first fighters against subversive influences in their own groups. They have been the first to recognize the danger, they have fought it, and in some cases their blood has been spilled in the fight against subversive elements in their own groups. I know how loyal are the new Canadians in my riding and in the adjoining ridings, and I must say that they resent not being used to a greater extent than they are as guards and other work of the kind. We should extend the hand of friendship to them wherever we can and do our best to make them feel that they are not outsiders.

It has been suggested that there should be a three-man tribunal to hear appeals from those interned under the defence of Canada regulations. The hon. member for Lake Centre (Mr. Diefenbaker) has suggested that it would be advisable to have two judges of the superior court and a judge of the local district adjudicate on these appeals. It is not at all that we have not faith or confidence in those who are hearing these appeals at the present time. It is simply a question of putting too much power into the hands of one man. If you have three judges hearing the appeals you will get a fair judgment; perhaps what one of the three overlooks the other two will not, and there will be argument in that connection. I have the greatest admiration for the Minister of Justice, but the feeling of the people is that we are putting too great a power into the hands of one man. I know that we can depend on the minister to do the job well and fairly, but so long as it is done by one man there is suspicion and unrest among the people with respect to any decision he may make. Therefore, Mr. Speaker, I urge that the appeals should be decided by a body of three judges, and where they disagree the minister could make the final decision. I mention this simply because I feel that we must get away from the suspicion that there is in connection with the internment of some of these people.

The committee which considered the defence of Canada regulations last year did a wonderful job. Naturally we all hate to see our privileges taken away from us—habeas corpus, the right of free speech, and all those things. But we all recognize the necessity for some curtailment of our liberties in time of war. I believe that if action is taken along the lines I have indicated, the people of this country, especially the new Canadians, will be much better satisfied and have far more confidence in the administration of the defence of Canada regulations.

Mr. LAPOINTE (Quebec East): Mr. Speaker, I have already taken part in this debate because I had to initiate it, but some points have been raised on which I have a few words to say. Unless I have the consent of the house to speak again on the main motion, I will ask one of my colleagues to move an amendment of no consequence, just to give me the right to speak.

Mr. HANSON (York-Sunbury): Go ahead.

Mr. LAPOINTE (Quebec East): Thank you.

Mr. SPEAKER: With the permission of the house.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I must congratulate the house on the tone of this debate, and I am grateful to hon. members for many of the things that have been said. There is no doubt that the committee which will sit on the defence of Canada regulations will keep in mind the suggestions that have been made in the course of the debate. The most critical speeches have been one by the hon. member for North Battleford (Mrs. Nielsen) and, to some extent, one by the hon. member for Weyburn (Mr. Douglas). I am sorry that my hon. friend the member for North Battleford is not at present in the chamber because I have to refer to her remarks and also to something that she said outside the house in recent months.

First, I should like to clear up a matter which was discussed last year and again in the course of this debate with regard to the alleged confiscation of copies of speeches of the hon. member for North Battleford in Saskatchewan and elsewhere. I regret that when this question was raised a few months ago, I was absent by reason of an indisposition that lasted for some time, and I could not give the explanations which I desire to make to-day.

In the first place, it was not the speech delivered by the hon. member for North Battleford that was seized, but a leaflet, a copy of which I have in my hand, entitled "Why I Opposed the Budget". It is substantially a reiteration of the hon. member's speech with a few changes which later, when that speech was inserted with others in a pamphlet published by the *Canadian Tribune,* were eliminated. For instance, the words:

> You have been told by press and radio that this budget was patriotic, that it ensured equality of sacrifice and equal participation in the war effort. That is a lie, and this war budget is instead the greatest hoax ever perpetrated on the nation.

"That is a lie" was not said in the House of Commons, and I congratulate the hon. member that it was eliminated from the copy of her speech which is now in a pamphlet which I have here with other speeches printed and published and distributed by the *Canadian Tribune.*

Mr. HANSON (York-Sunbury): Was there anything subversive about it?

Mr. LAPOINTE (Quebec East): That is a question of opinion. It was considered such. The question did not come to us at the time. As my hon. friend knows, in Saskatchewan, as in many other provinces, the Royal Canadian Mounted Police act under the direction of the attorney general of the province. These were not pamphlets, I may say, because the last pamphlets have never been confiscated. These were leaflets. They were taken over by the police and were studied by the law officers of the government of Saskatchewan. They considered that perhaps it was better not to proceed, and the leaflets were returned to those from whom they had been taken. That is the whole situation.

In the city of Edmonton there is a gentleman—I do not know whether I should give the name—who has been under observation for a long time. He is the distributor of communist literature in that city and has been selling copies of the Moscow *News,* published in Moscow, a publication which has been prohibited in Canada since August last. During the latter part of August that man was seen with a certain quantity of leaflets and a search warrant was issued by the authorities in Regina. Four hundred copies of the leaflet "Why I Opposed the Budget" were found in his place. They were referred to the attorney general's department for decision. No action was taken and the leaflets were subsequently returned to the man.

The same thing happened in Regina, too. On my memorandum here there are two other names of people who have been handling communist literature. The leaflets were found and were surrendered by these men and they did not wish to take them back, so they were not given back to them. They did not want them.

The same thing happened with regard to an organization called the Regina Workers' Protective Organization. There also they handed the leaflets to the police and did not wish to have them back. It was found that these leaflets had been printed by Eveready Printing and Publishing Company of Toronto. At the premises of the Canadian Tribune Publishing Company, a few proofs and five copies of the pamphlet were seized, but following examination and reference to the Attorney General of Saskatchewan, they were returned to Mr. Macleod on November 25.

A summary of all this—and I think the house will realize that too much noise has been made under the circumstances—is this: (1) The investigation centred around the leaflet "Why I Opposed the Budget," not around the speeches in the House of Commons or the pamphlets which were subsequently published. (2) The leaflet was not a speech made in the House of Commons. (3) No individuals were arrested. (4) No persons were intimidated. (5) The leaflet and pamphlet were not suppressed. As a matter of fact, the pamphlet has already had its third printing since then, the second and third issues omitting the open letter to Canadians. (6) The investigation differed in no way from any other similar inquiry.

I must say to my hon. friend the member for North Battleford that really she has not been treated as terribly as she would like us to believe. She certainly has not been hampered in her activities. As an hon. member has just stated, she has gone throughout the country making speeches, and I must say that her language this afternoon was very mild compared with what she has been stating on the platforms. It is true she has said that the defence of Canada regulations should be called the defence of capital regulations. But that is far less than what the hon. member has been saying all over the country. I have here reports of her speeches throughout the land; they are about the same everywhere.

An hon. MEMBER: Let us hear them.

Mr. LAPOINTE (Quebec East): For instance, at Nanaimo she said:

> In nearly every instance you will find that it is the leaders of trade unions that have been arrested by the police and sent to internment camps, and in some cases no reason or trial has been given or had.

She has stated at many places that seventy members of trade unions have been interned. I am afraid I have to say that this is

absolutely contrary to the facts. A few men who were members of some trade unions have been interned, but not because of their membership in any trade union but because they were communists.

Mr. COLDWELL: Can the minister tell us how many?

Mr. LAPOINTE (Quebec East): Just a few, but the information will be given to the committee, of which my hon. friend is a member. I may say that the hon. member did not do justice to herself in her speech this afternoon when she denounced fascism in the most violent way but said never a word about communism. Let me quote further:

> The defence of Canada regulations have caused fear to be instilled in the hearts of the people. Look back a number of years and remember how so many immigrants came to this country seeking freedom of religion, but now such is not the case. Jehovah's Witnesses are now an illegal organization, they cannot now gather together to worship as they please.
>
> If we are going to call ourselves democrats we should not deny ourselves the privileges we want to enjoy. The same thing happened in Germany. Take for instance Pastor Niemoller.
>
> As the war goes on not only our privileges are cut down by the defence of Canada regulations but monopoly has taken steps through the medium of prices, wages, et cetera.
>
> The trade union movement was trying to prevent these things but they are now being prevented.

She then quoted from a letter supposed to have been received from a member of the United Electrical and Radio Workers in Toronto which quoted an article giving details of labour conditions in Germany in 1940, and the writer compares them with conditions in Canada. At Winnipeg she quoted from an article in a Toronto paper which outlined the long hours and hardships which the German people had to endure, and she said that these very things, "which we are fighting against", existed in Canada.

Of course, as far as the government is concerned, in her view it is very bad. She repeated everywhere that we are a few Charlie McCarthys sitting on the lap of big business; "no more democracy in Canada"; "democracy destroyed"—and she said that this afternoon. Is the hon. lady member fair to her country of adoption? I believe she has been treated pretty fairly by Canada.

Mr. HANSON (York-Sunbury): With some exceptions—one exception.

Mr. LAPOINTE (Quebec East). Is this fair? The mere fact that a lady member can make the speech she made this afternoon, and can speak as she did throughout the country during a war as is the situation at present, shows that we still have democracy. Does the hon. lady member believe that she could say that in Germany and get away with it? Does she think she could say that in Italy and get away with it? Does she think she could say that in Russia and get away with it? No. We still have democracy.

Mr. HANSON (York-Sunbury): Limited democracy.

Mr. LAPOINTE (Quebec East): Yes; we must have limits. She says that these defence of Canada restrictions may continue after the war. She did pay me the compliment of saying that she thought I was sincere, and as Minister of Justice would see that they are removed, but she is afraid that some other minister of justice may come. In this she is not like some newspapers who seem to hope that some other will come. But she forgets this: the defence of Canada regulations are enacted under the authority of the War Measures Act, the last clause of which provides that the act ends with the last day of the war. Therefore my hon. friend need not have any misgivings about that. All these restrictions are essentially temporary, for a time of emergency, and end with the emergency.

I should not like to say anything that might offend the hon. member in any way. If, however, the police have searched for those leaflets, of which search she complained so strongly, it is because my hon. friend keeps bad company, very bad company indeed.

Mr. HANSON (York-Sunbury): Be careful.

Mr. LAPOINTE (Quebec East): Yes; I have to be careful. But were I at liberty to say what there is on the files of the Royal Canadian Mounted Police! I absolve my hon. friend from any bad intention in the matter, but some of those with whom she associates are claiming things that I am sure my hon. friend would not like to claim herself, as far as her activities are concerned. For instance, in the city of Regina a young lady has been arrested for an offence against the defence of Canada regulations, and all the papers and documents which were found have been seized and confiscated. Among those papers there was a circular letter addressed by a communist leader in Saskatchewan, who is himself interned now, in which he claims that the hon. member has the same ideas that he has.

Mr. HANSON (York-Sunbury): That is not evidence.

Mr. LAPOINTE (Quebec East): I cannot give this information to the house, but I will gladly show this part of the file to my hon.

friend if she wants to see it. Having that information; having these things on the file, surely the police were justified in looking into the documents which may have been distributed at the time, and having the legal authorities in Saskatchewan pronounce upon them. I am sure, however, my hon. friend would repudiate any association with those people and would rather associate with other members of the house in order to give help to those carrying on the war effort of Canada, to help us all achieve victory and peace.

May I make one other observation. This morning I was reading the report of a lecture given yesterday in Montreal by a European woman who stated that in Germany and other fascist countries women are barred from all public activities and have no rights except that of raising families. When my hon. friend says we have destroyed democracy in Canada, I do not think she is being altogether fair to Canada. Here ladies like my hon. friend can exercise all their rights; they are free in all their activities, and certainly my hon. friend is using that right to the limit of her capacity.

I have nothing more to add, except that in fairness to the Royal Canadian Mounted Police I thought I ought to give the facts with regard to this matter. The police have also asked me to answer a certain statement made in the Toronto *Saturday Night* of March 1 in an article by Politicus, headed "Mr. Lapointe, What do you Say?" Of course, I cannot say anything, because I did not read it. This is an extract from that article:

> Politicus knows of two cases of newspaper people of the highest loyalty and integrity whom the R.C.M.P. are investigating and on whom they have a dossier. And in neither of those cases, both journalists being people whom Politicus knows well, is there the slightest doubt of their anxiety, perhaps over anxiety, if there can be such a thing, for Britain to win this war, and of their responsibility.

The commissioner tells me that he has made inquiries and is able to say that he knows of no one, male or female, connected with newspapers, whom this force is investigating or has investigated since the outbreak of war, with the possible exception of Harry Binder, who is now serving a sentence. Why should these statements be made, creating disaffection and nervousness among the public? Some days ago a letter, written by a Toronto lawyer who represents communists who are interned, was drawn to my attention. In that letter he attacked me personally, saying that of course I could not do justice to trade unionists because I am from Quebec and in Quebec people are against labour syndicates. In this statement there are two falsehoods. First, Quebec is not against labour unions; far from it. Quebec was the pioneer in labour legislation. Second, as far as I am concerned, if that man knows me he knows I have been fighting for the trade unions all my life. I have been fighting against those employers who have been reluctant to permit the establishment of trade unions in their factories. I have been fighting for the right of labour to bargain collectively. So why say these things? Of course I am not surprised. I have a difficult task; I am doing it to the best of my capacity. I have been told in persuasive fashion that I should do things in a certain way; I have also received threats, and I may say that I have been advised indirectly that if a certain gentleman were not released I might expect a newspaper campaign. Neither sweet inducements nor threats will have any influence on me. I will do what I think is right whatever may be the consequences; and if the committee changes the regulations and I still have something to do with them, I will apply them as I think they should be applied. Again, neither inducement, blackmail nor threats will have any influence.

Mr. HANSON (York-Sunbury): Does the minister not think the government itself has some responsibility with regard to laying down the principles upon which the committee should report, instead of leaving the matter entirely to the committee undirected by the government?

Mr. LAPOINTE (Quebec East): Of course the committee will have the help of officers who have had experience in these matters. They will have the help of officers of the Royal Canadian Mounted Police, who obviously will consult with the minister before giving the committee their advice.

Mr. HANSON (York-Sunbury): Of course the inference is all right.

Mr. LAPOINTE (Quebec East): In conclusion, Mr. Speaker, I again thank hon. members, and I hope we shall all cooperate in trying to have the regulations what they ought to be. We should have all confidence in one another and try to do the work as best we can.

Mr. GREEN: Before the minister takes his seat, may I ask him if he can now give us the information with regard to the number who have been interned? I asked him that question the other day, and he promised to give the information during this debate.

Mr. LAPOINTE (Quebec East): I had it here, and I forgot to give it to my hon. friend. There are at present a total of 870 persons detained under the provisions of regulation 21. My hon. friend also asked me concerning the number of women. The answer is that there are ten, at the present time. The women are all transferred to Kingston.

Mr. GREEN: Is the minister in a position to give the numbers of different classifications —that is, German, Italian, communist, national unity party, and any other classification?

Mr. LAPOINTE (Quebec East): No; I believe that should be given to the committee. If the committee decides it should be made public, it will be.

Mr. J. T. THORSON (Selkirk): Mr. Speaker, before the motion carries, I have just a few words to say. The hon. member for North Battleford (Mrs. Nielsen) spoke in laudatory terms of a certain organization, the Ukrainian farmer labour temple association. She described it as being a representative Ukrainian organization. I entirely agree with the views expressed by the hon. member for Vegreville (Mr. Hlynka). When the hon. member for North Battleford described the Ukrainian farmer labour temple association as a representative Ukrainian organization, she insulted the vast majority of Canadian Ukrainians. The association she referred to in such laudatory terms is the central holding company for all the communist halls throughout Canada. I can say this, Mr. Speaker, that the vast majority of Canadians of Ukrainian origin are absolutely opposed to this particular organization and to communism, and are the most bitter opponents of communism to be found anywhere in Canada. I should like to associate myself in these remarks with the hon. member for Vegreville. I asked the hon. member for North Battleford, when she was speaking, whether she would permit a question, but in accordance with her rights she refused that permission. If the permission had been accorded, it was my intention to ask her whether she would be good enough to declare in this house what her attitude toward communism was, because to the best of my recollection she has never declared that attitude here.

Motion (Mr. Mackenzie King) agreed to.

WAR EXPENDITURES

APPOINTMENT OF SPECIAL COMMITTEE

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

That a select committee be appointed to examine the expenditure defrayed out of moneys provided by parliament for the defence services, and for other services directly connected with the war, and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein, and that notwithstanding standing order 65 the committee shall consist of twenty-four members, as follows: Messrs. Abbott, Bercovitch, Black (Cumberland), Bradette, Chevrier, Cleaver, Diefenbaker, Fournier (Hull), Gladstone, Golding, Graham, Gray, Green, Harris (Danforth), Macdonald (Halifax), MacInnis, Marshall, Mayhew, McGeer, Picard, Pottier, Ross (Moose Jaw), Sissons, Thorson, with power to send for persons, papers and records; to examine witnesses and to report from time to time to the house.

He said: At the outset may I explain the significance of the reference in the motion to the expression "notwithstanding standing order 65". No doubt hon. members are familiar with that standing order, but I might say in a word it is to the effect that no special committee may, without leave of the house, consist of more than fifteen persons. Hon. members will notice that provision is made in this resolution for a committee of twenty-four persons.

It may help to place the motion in its true light were I to review the circumstances which have led me to present it to the house in the form in which it appears upon the order paper. At this stage of the session, after a long adjournment, we are apt to forget that the session itself began on November 7, continued until December 6, and that we reconvened on February 17. I mention this because before the adjournment had taken place there had been an agreement on the part of the government to introduce the motion which is now before us—at least, this motion, with a slight alteration.

Hon. members will recall that shortly after the session began, the leader of the opposition (Mr. Hanson) suggested that the house should consider the appointment of two select committees, one which, from a factual and objective point of view, would have to report upon the fighting forces, army, navy and air, and another which would be concerned with questions of supplies and deliveries of equipment, munitions and the like.

At the time he suggested consideration of the appointment of two such committees, my

hon. friend said that he recognized the implications, and that he thought perhaps it would be preferable, before any steps were taken, to have a conference between himself and some members of his party and myself, as leader of the government, and some members of the government.

That conference took place, and it was, I believe, in part as a result of it that, when my hon. friend the leader of the opposition returned to the subject in this house, he brought forward what he termed a concrete suggestion, one which he said he believed was constructive. It was an invitation to the government to consider the appointment of a committee for the control of national expenditures, which would be on all fours with the similar committee in the United Kingdom. My hon. friend read to the house the order which set forth the powers and terms of reference of the committee in the United Kinggdom, and stated that he had in his possession copies of the reports of that committee, that he believed its work had been very useful, and that, for these reasons, he would recommend to the government the appointment of such a committee.

Very shortly after he made that announcement, or proposal, I told my hon. friend that the government would accept it, and that we would be prepared to appoint a committee along the lines of the committee in the United Kingdom with respect to the control of national expenditures. Within a day or two before the house adjourned I gave the definite assurance to the house that, as soon as parliament reassembled, I would introduce the motion, and that the committee would be appointed.

Since the recess, I believe on the first day of the reassembling of parliament, the leader of the opposition asked me, as the record will show, what decision had been reached with respect to the setting up of the committee on the control of national expenditures. I said to my hon. friend in reply that I was prepared to bring in the motion at once. The only reason I was not doing so at that time was that the motion required notice, and that, before introducing the motion, I wished to get from the whips the names of the members who would compose the committee. The leader of the opposition then suggested it would be well if we should have a further conference before the motion was introduced. He thought that the terms of reference were as important as the membership of the committee, and said that he would like to have a further conference with me. I agreed to that immediately and my hon. friend did have a further conference, at which time I thought we had reached complete agreement as to the terms of reference, and I so reported to my colleagues in the cabinet.

Subsequently, however, my hon. friend met me in company with one of the members of his party and suggested consideration of a change in the wording of the resolution. At that time I gave him my reasons for feeling that the resolution should not be changed. It was agreed, however, to have a further conference between my hon. friend and one or two members of his party and myself along with one or two of my colleagues, and that further conference was held. To-day I bring in the motion as it has been modified as a result of the first conference I held with my hon. friend immediately after parliament reassembled.

It is most important that the circumstances which have led up to the appointment of this committee should be carefully reviewed and understood because I regret to say that within the last few days there has been a great deal of misrepresentation concerning the purpose of the government in proposing this committee. The fact has been completely forgotten that the proposal was made by the leader of the opposition himself and that it was accepted in full by the government. As I have said, we had reached agreement on the matter before parliament adjourned in December last. An entirely different construction has been placed upon the motion from that which was intended, I believe, by my hon. friend at the outset or by myself in accepting it. The government's whole position in the matter has been so completely misrepresented and misconstrued—

Mr. HANSON (York-Sunbury): By whom?

Mr. MACKENZIE KING: I am coming to that—by what has appeared in a section of the press within the last few days—I am not saying that my hon. friend has misconstrued it—that I think it is most important that the whole matter should be carefully reviewed. I would remind hon. members that when parliament is in session, political battles may be fought in two places, either in parliament or throughout the country. When we are being told that the opposition in the House of Commons is anxious to cooperate with the government and to do all that it possibly can so to do, we rather expect that the opposition press throughout the country will adopt a similar attitude or at least that it will withhold criticism of a measure, and above all misinterpretation of a measure, until it has been fully discussed on the floor of the house.

Because I recognize that this is a very important measure I purpose going rather carefully into the different steps which have led to the motion being presented to-day in the form in which it is by the government. First, I would refer to what my hon. friend the leader of the opposition said with regard to the appointment of committees of this house which might serve the purpose of giving the public more information on the manner in which our war effort is being carried on, and more in the way of control of expenditures in connection with the war effort. Page 43 of *Hansard* of November 12, 1940, sets forth the first reference which my hon. friend made to the advisability of establishing select committees of the house to deal with war effort matters. My hon. friend is reported as having said:

. . . . I am impelled to propose to the government that it cause to be set up immediately two select special committees which will be charged with the responsibility and the duty of investigating and reporting to this house factually, objectively and truthfully, without bias and without partisanship—and I have no doubt that is possible—what is our exact position (a) with respect to our fighting forces, military, naval and air; and (b) with respect to the production and delivery of all the important materials, equipment and supplies necessary in our war effort, so that the Canadian people may know the truth. Before such committees ministers could appear and be subject to questioning.

A little further on, my hon. friend said:

The government may hold the view that it is not in the public interest that the facts and figures for which I am asking be disclosed. I know the matter is not free from difficulties. When I make the proposal I visualize many of its implications,—

And a little further on:

I am willing with some of my colleagues to meet with the Prime Minister and some of his colleagues so that we may consider the whole proposal, in an honest effort to arrive at a conclusion.

That was the first suggestion made in this house for the appointment of special committees to deal with the war effort. May I say a word as to the manner in which that suggestion was received? A conference between my hon. friend and some of his colleagues and myself and some of my colleagues took place shortly after. The subject came up again in the house on December 3. At that time the leader of the opposition made reference to the former occasion on which he had suggested the appointment of these two committees. At pages 615 and 616 of *Hansard* of December 3, 1940, my hon. friend the leader of the opposition is reported as follows:

So far, such committees have not been set up. I indicated that I knew there were difficulties, and I would ask the Prime Minister, if he can and will, to tell the house what the attitude of the government is with respect to that. If the difficulties are such as cannot be surmounted then I have another concrete suggestion which I desire to lay before the house and the country. It is, in brief, that the government cause to be set up a select committee on current expenditure defrayed out of moneys provided by parliament for the defence services, for civil defence and for other services directly connected with the war, and instruct such committee to report what, if any, economies consistent with the execution of government policies may be effected therein.

Now, it is all very well to say that we can get all this information on national expenditure through the public accounts committee. Theoretically that is correct. But the information which will be obtained through the public accounts idea will not be on current expenditure. It will relate only to the expenditures that have taken place in the previous year and as covered by the auditor general's report. Practically all the national expenditure for the war effort has taken place since March 31 last—or rather the great bulk of the contracts relating to national expenditure for war effort have been let since March 31, and inquiry before the public accounts committee will not be possible. That committee may examine only such things as are submitted to it. I am impelled to make this request for various reasons, but more particularly because what I suggest has been done in England and, I am advised, with good results.

I hold in my hand a series of reports of a select standing committee of the British parliament which was set up under the authority of an order of reference made on December 12, 1939, while Mr. Chamberlain was still Prime Minister and while there was an official opposition. The order of reference contains this:

My hon. friend then goes on to quote from the order of reference. If hon. members will keep in mind the wording of the motion which is before the house at the present time, they will see that the two references are identical except for a word or two. My hon. friend goes on to quote the order of reference as follows:

That a select committee be appointed to examine the current expenditure defrayed out of moneys provided by parliament for the defence services, for civil defence and for other services directly connected with the war, and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein.

Continuing with the words of my hon. friend the leader of the opposition:

Then it goes on and appoints a committee of twenty-eight members—and not one of them is a member of the government; they are all private members, and so far as I read the list of names, none of them are of international prominence. The committee has the usual power to send for persons, papers and records,

and to sit notwithstanding any adjournment of the house, and to adjourn from place to place. It was to be in effect a continuous working committee to examine current expenditures for war purposes having regard to the announced policy of the government. It had the power to appoint subcommittees and to refer to such subcommittees any of the matters within the jurisdiction of the committee. Such subcommittees so appointed were empowered to send for persons, papers and records, to sit notwithstanding any adjournment of the house, and to adjourn from place to place. This select committee has been sitting almost constantly since it was set up. Its first report was made in January, and the last I have was made on August 21, 1940. Any hon. gentleman who peruses this report will see, I am sure, that it is serving a great national purpose—not in opposition to government policy, not to the detriment of government policy, but to assist government policy, and to see what if any economies can be attained by suggestions.

My view is that we ought to have something like that here in Canada. It is a way in which private members could contribute to the war effort. I have heard dozens of members who support the government bewail the fact that they could not do anything to help, and saying that private members ought to be in a position to do something to help.

Then my hon. friend, a little further on, says:

I submit this to the government as a constructive proposal to which they should give some attention. I submit it in the utmost good faith, not by way of criticism but by way of being helpful to the government. We know that war is wasteful; we know there is great waste in this war, though I do not say intentional waste. I do believe, however, that a committee of private members of this house, sitting day in and day out during sessions and between sessions, could perform a very useful function in assisting the government at this time, and I commend this suggestion to hon. members. It will provide an outlet for the energies of the private members who are anxious about the war, who want to make a contribution, who were sent here by their constituents to make that contribution but who find themselves frustrated—yes, that is the word—because they have no outlet for their abilities and their capabilities.

My hon. friend goes on:

I do hope that the Prime Minister will acept this suggestion, and before I leave the topic may I say to hon. gentlemen who will accept positions on the committee, if it be set up: There is not only a real job to be done, but a job which will tax your capabilities to the utmost. You will have to make substantial sacrifices in serving the state in this way, but it is a patriotic duty which I think some of you ought to perform. I believe a real contribution can be made in this way by private members.

May I pause again to remind the house that the motion before it which I have presented to-day is an acceptance in full, and going somewhat further, as I shall indicate a few moments later, of the proposal of the hon. leader of the opposition, made, I assume, after consultation with members of his party and with his party solidly behind him in making that proposal.

What were the grounds on which the leader of the opposition put forward the proposal for this committee on the control of national expenditures? First of all, he advanced it as a concrete suggestion, as a constructive suggestion. He commended it and presented it to the government and asked its acceptance more particularly on two grounds: on what had been done in England, and done there with good results, and as serving a great national purpose, namely, to assist government policy, to effect economies and to avoid waste. There was the further purpose, to enable private members to contribute to the war effort, to afford an outlet to the energies of private members to perform a patriotic duty. Let me draw attention to the wording of the resolution which the leader of the opposition proposed. The first point in it is that the government cause to be set up a select committee on current expenditure defrayed out of moneys provided by parliament for the defence services, for civil defence and for other services directly connected with the war.

It was a request for a committee to deal with current expenditures. Second, such committee was to be instructed to report what, if any, economies consistent with the execution of government policies may be effected therein.

The motion as presented by my hon. friend the leader of the opposition or which he was asking me to present was that the committee should report with respect to economies, to avoid waste and the like, and to report with respect to economies which would be consistent with the execution of government policies. It was not for any other purpose.

I do not think there can be any doubt, Mr. Speaker, about the leader of the opposition having made the proposal, or about the exact nature of it, the scope of it, the purpose of it, and of his having strengthened his position by saying it was precisely the same motion that had carried in the United Kingdom, under which a committee in the United Kingdom was operating to-day.

What attitude did I take towards the suggestion? My reply to my hon. friend will be found in *Hansard* of December 3 at page 633. Speaking in reply to the leader of the opposition, I said:

A few days ago my hon. friend spoke of the desirability of the house appointing two standing committees. I believe he made that suggestion on November 12, when he first spoke in this debate. His words were as follows.

Then I quoted the words which I have already given the house to revive its memory. I mentioned also my hon. friend having suggested that there should be a conference between himself and his colleagues and myself and certain of my colleagues. Then I continued as follows:

May I say that since making that statement, my hon. friend and two of his colleagues have met with me and two or three of my colleagues to consider the matter there referred to. I wish to say to him and to the house—

I ask hon. members to note the manner in which I as leader of the government sought to accept the suggestion made by the leader of the opposition:

I wish to say to him and to the house that no approach to the subject could have been more helpful or could have been better in every respect than that which he and his colleagues made in confidence with the government in this matter. We spoke quite frankly to my hon. friend and his colleagues with respect to the difficulties which surrounded the procedure of dealing with war expenditures, questions of production and distribution—deliveries, I believe, was the word he used—in any standing committee of the house which might be holding its proceedings in public and which during part of the time might have to ask that the proceedings be held for some time in camera. We particularly pointed out the difficulties of imparting to parliament or to any committees certain information.

I will mention to the house just what one of those difficulties is. We have been asked by the British government—and this is a request they have made to governments in all parts of the British commonwealth; it is not one which has been made to us alone; it is a matter of which the British government itself has taken full account—to avoid, if possible, the disclosure of numbers, the disclosure of amounts, the disclosure of quantities, the disclosure of anything in public which would help to give the enemy an appreciation of the strength or lack of strength of the forces opposing him.

I think every one can see the reasonableness of a position of the kind. But it does raise a very difficult situation for the government. If we are not on the horns of a dilemma, we are at least in the matter of information sailing between Scylla and Charybdis all the time. We are either too near the rock of Scylla in giving more in the way of information than we should, or we are drifting to the other side toward the whirlpool of Charybdis and are being accused of withholding from the people of our country the information they are entitled to have.

I can only put the situation as it is in its clear light before members of this house and before the country, and trust to the soundness of their judgment. That is the position we are in with respect to the disclosure of information that might prove to be harmful.

A little further on, I said:

It is for that reason and for that reason only that the government hesitates to say to this house that it is prepared to have standing committees before which will be placed the exact position with respect to our fighting forces, naval, military and air.

[Mr. Mackenzie King.]

And further:

I agree with what my hon. friend has said about the position of private members in this house. Every member is anxious to become more actively interested in Canada's war effort.

And further on:

Hon. members are right in feeling that they would wish, that the house itself would wish to make its own contribution to the war effort in some way.

And later on:

I can assure hon. members that we desire their fullest cooperation.

Having given, as my hon. friend had asked me to do, the reasons why we felt that it would not be wise to accept the suggestion of the two committees he had spoken of, I then gave my acceptance of the proposal which he made, and I did so in the following words:

This afternoon my hon. friend made a suggestion which appeals very strongly to me for more reasons than one; first of all, because of the proposal itself, and also because it is the procedure which on this very perplexing matter has been adopted at Westminster. In the parliament at Westminster the government has been faced with exactly the same situation we are faced with here. They have of course a much larger number of private members than we have in this House of Commons and their private members are as anxious to make their contribution as are our private members.

Then further on:

The British government are making expenditures on a much vaster scale than we are, and human nature is the same in the United Kingdom as it is in Canada with regard to all classes and conditions of men and how they may act in respect of government contracts and large quantities of money and supplies at a time of war. They are just as anxious as we are to see that whatever is done is done openly, honestly and above-board and to bring to time summarily anyone who seeks to profit by opportunities which war conditions may afford. But they have not thought it advisable to set up standing committees of the character which was originally proposed by the leader of the opposition. They have, however, established a committee on national expenditure which has been given certain powers and which has been functioning now for almost a year, having been set up on December 12, 1939.

I then read the motion, which I have already repeated several times, setting forth the powers which are given to the committee on national expenditure in Great Britain; and having quoted the resolution which had been proposed by my hon. friend, I said:

. . . . may I say that after careful consideration of the whole matter the government is prepared to introduce a similar motion into this house and to follow the procedure which has been adopted by Westminster with respect to war expenditure.

That was a full acceptance of my hon. friend's proposal—full with respect to all the terms of reference, going, indeed, a step further by declaring that we were prepared to follow, with regard to the procedure of the committee itself, the example which had been set at Westminster. That acceptance was given without reservation, mental or otherwise. It was given in a whole-hearted, open and frank manner, deeply appreciative of what, at that time at all events, I believed was the desire on the part of the opposition to cooperate with the government in this matter and which I believe to be still the desire that actuates my hon. friend the leader of the opposition.

I come now to a very important point, namely, what in the mind of the leader of the opposition and my mind as leader of the government, and having the responsibility I have in this time of war, was to be the exact character of this committee, whether it was to be a committee, as its terms set forth, to help to control national expenditure, to give to private members of the house their opportunity to make a contribution towards Canada's war effort in the manner therein indicated, or whether it was to be an instrument of party political warfare, that this house was to give to some committee a general warrant to search for scandal.

Mr. HARRIS (Danforth): A fishing committee.

Mr. MACKENZIE KING: Yes, a fishing expedition, a roving committee. I thought it was important to make the purpose clear in the interests of both the opposition and the government; also that it should be perfectly understood by the country in this time of war what the motive was that lay behind the proposal and what was to be its purpose when the committee was formed. In doing so I used the following words:

I want to add that whoever is appointed to such a committee ought to take his responsibilities very seriously. Great care will have to be taken in the selection of the personnel. If there is a genuine desire to do the thing that is helpful, I am sure that great good can come out of the existence of a committee of the kind. If, on the other hand, the committee is to be made an instrument for party warfare, I cannot conceive of anything that could be worse.

That is on page 635 of *Hansard*.

Mr. Hanson (York-Sunbury): May I interrupt my right hon. friend to say that nothing was further from my thoughts.

Mr. Mackenzie King: Quite so. I have not said that my hon. friend—

Mr. Hanson (York-Sunbury): I am not looking for scandal.

Mr. Mackenzie King: I believe that my hon friend is wholly sincere in what he says. I would not have made the remark I did had I thought that he was not. But I repeat that if a committee of the kind were to be used as an instrument of party political warfare, I cannot conceive of a way of working greater injury to Canada's war effort. But a committee which takes its responsibilities seriously, and will assist the government in exercising a control over the expenditures which are being made, keeping on the government the responsibility for policy, but being free to make suggestions that will be helpful and constructive, should be of the greatest possible service. It was that kind of committee which on December 12 last was set up at Westminster, and this is the motion under which action was taken.

I then read the motion, and I went on:

I propose, Mr. Speaker, as soon as parliament reassembles after the adjournment, to introduce a motion in those words in this House of Commons.

I said that the reason for waiting until after parliament reassembled was that I thought it would be a better time to select the members of the committee, and I concluded with these words:

I hope this assurance will meet with general acceptance.

May I conclude before recess by quoting one article which represents, I believe, the impression that was left at the end of the session as to the satisfactory nature of the proceedings between the opposition and the government. The opposition were getting a good deal of credit for having put forward a constructive proposal; the government on its part was being commended for having accepted the proposal, and the country generally seemed quite satisfied with the action which was to be taken. I shall read but this one article. It is from the Toronto *Globe and Mail* of December 5, 1940, being an editorial headed "Will Ensure Confidence":

The Prime Minister's acquiescence in the suggestion of Mr. Hanson for a parliamentary committee to inquire into war expenditures will be approved in the country as it was in the Commons. The select committee to be set up when parliament reassembles on February 17 will be composed of representatives of all parties in proportion to their strength in the house. If the committee follows the precedent of Westminster it will hold some of its sittings in camera. The quality of its membership should be high if the inquiry is to ascertain whether the country is getting full value for the whole of its expenditure.

Sheer fault-finding is not an indulgence for which there can be any patience or excuse when the nation is fighting for its life. Any attempt to make political capital which would retard the war effort will be severely condemned. What the public wants to know is whether economies can be effected without slowing up preparations for the defeat of Hitlerism. The committee should have ample power to examine expendi-

tures for the defence services and for other services directly connected with the war. If it can suggest economies which will in no way hamper the war effort it will do well.

There may be a disposition to exploit the opportunity to discredit the government, but Mr. Hanson was prompt in giving assurance that there was no such thought in his mind. The supreme concern should be to accomplish something that will promote efficiency and economy without impairing the nation's striking force.

The government's decision to create a parliamentary committee to examine expenditures and to suggest what, if any, economies can be made will in itself inspire public confidence.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MACKENZIE KING: Mr. Speaker, when the house recessed, I had concluded discussing the resolution now before us as respects what had taken place during the period of the session before adjournment. I pointed out that the resolution at present before the house is almost identical with the one which the leader of the opposition (Mr. Hanson) suggested should be adopted by the government; I indicated the steps which had led the government to accept the resolution in substantially the wording presented by the leader of the opposition, and stated that when parliament adjourned I had thought both sides of the house were in complete agreement as to the resolution and its terms of reference. What I believe justifies that view is the fact that, as I have indicated, the press of the country generally seemed to entertain it. I think it was a logical view to take having regard to the emphasis which my hon. friend the leader of the opposition placed on the practice at Westminster and the emphasis which I personally am inclined to place upon that practice as an example in matters of procedure here.

I wish now to say a word or two about what has happened since parliament reassembled. The leader of the opposition referred to the matter of this committee on Monday, February 17, the first day the house met, and his remarks will be found at page 789 of *Hansard*. Speaking on the business of the house, the leader of the opposition said:

> May I also ask the Prime Minister if he will be good enough to let us know when the proposed committee on national expenditure will be set up.

I ask the house to note those words, "will be set up." I think the question of my hon. friend makes quite clear by itself that in his mind at that time there was agreement on the committee and that the committee would be set up. I omitted to reply to that question at the time, and at page 863 of *Hansard* my hon. friend is reported as follows:

> Mr. Hanson (York-Sunbury): There was the question of the setting up of a committee on national expenditure.
>
> Mr. Mackenzie King: I am sorry I omitted to refer to that. I hope to introduce the motion this week. I would have introduced it at once, but I thought it desirable that the whips should first confer as to the personnel of the committee. It is also necessary under the rules of the house that notice shall be given in the *Votes and Proceedings* . . .
>
> Mr. Hanson (York-Sunbury): May I interject that I think it would be very desirable that we should confer on the terms of reference to the committee. That I think is just as important as the personnel of the committee.
>
> Mr. Mackenzie King: I shall be very happy to confer with my hon. friend. I may say I had in mind in drafting the motion what he himself had expressed before the adjournment, namely, that we should follow as closely as possible the motion as introduced in the British House of Commons. I have had the motion prepared, but I shall be pleased to confer with my hon. friend further with regard to it.

The leader of the opposition made one other reference to the matter on February 19, appearing at page 835 of *Hansard,* when for the first time there was a new feature introduced. This is what he said:

> I hope that the committee on national expenditure, when set up, will examine and criticize all expenditures for war purposes, past, present and future, and award praise or blame, as the case may be.

You will observe, Mr. Speaker, that my hon. friend's motion had dealt with current expenditures; but now for the first time this new feature was introduced.

> . . . will examine and criticize all expenditures for war purposes, past, present and future, and award praise or blame, as the case may be. But the government must not evade or seek to evade responsibility because of the existence of this committee, and the powers of the committee must not be limited to reporting on methods of controlling expenditure. The committee must have power to report on expenditures already made, and the responsibility of refusing to go that far in the order of reference will be upon the government, and upon the government alone.

Apparently this widening of the terms of the resolution was an afterthought, the result evidently of discussion between my hon. friend and some of his followers.

In accordance with the promise I gave my hon. friend at the time, I met him in conference. With him was his colleague the hon. member for Yale (Mr. Stirling), and I had with me my colleague the Minister of National Defence (Mr. Ralston), who is with me at the present time. If I am not mistaken, this was on February 19. We discussed the resolution, and during that discussion I had in my hand the document which I have before me

at the present time. These conferences are supposed to be confidential. I am prepared to have them so regarded, if that is desired; or I am quite prepared to have everything that was said at the conferences made public here, if that is thought to be preferable. But I would point out to the house that I am in an embarrassing position, in this respect; that while confidence apparently is being kept between the leader of the opposition and myself with regard to what has taken place at certain conferences, the press of the country has been told of all sorts of happenings and discussions. They have begun to base their editorials on this hearsay and have found reason to take exception to the government's alleged action.

Mr. HANSON (York-Sunbury): Does the Prime Minister not think what has appeared in the press has been a perverted idea of what has occurred?

Mr. MACKENZIE KING: I do, most certainly.

Mr. HANSON (York-Sunbury): I mean to say it does not seem to be correct; I will put it in that way.

Mr. MACKENZIE KING: I thank my hon. friend for drawing attention to the fact that the reports that have appeared certainly were perverted, I would say, and utterly lacking in justification.

I hope my hon. friend will not object to my referring to the terms of reference of the resolution as discussed in conference with him and the hon. member for Yale, because that will enable me to clear up one matter which I think is most important, inasmuch as it is one which has given rise to most of the discussion outside. I refer to the term of reference which was agreed to at the first conference between my hon. friend the leader of the opposition and myself, and which the cabinet subsequently approved. The resolution proposed by my hon. friend to be presented to the house read as follows:

> That a select committee be appointed to examine the current expenditures defrayed out of the moneys provided by parliament for the defence services, for civil defence and for other services directly connected with the war, and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein.

My attention was drawn in the conference to the use of the word "current" which appears in the resolution. It appears in the order under which the British parliament is proceeding. The leader of the opposition said he thought the word "current" might be misunderstood, that it might give rise to the impression that the government was trying to draw a hard and fast line, that it wished only to examine into current expenditures, and that other expenditures would be found in the auditor general's report, which would be referred to the committee on public accounts. He thought the word "current" ought to be eliminated.

I wish to make perfectly clear, first of all, that the British government have maintained a hard and fast line between current expenditures, which are being inquired into by the committee at Westminster, and past expenditures which, it takes the position, can be looked into only by the public accounts committee.

I agreed with my hon. friend the leader of the opposition that leaving the word "current" in might lead to some misunderstanding, or might create some suspicion, and I said that I would be agreeable to striking it out; that so far as I was concerned I was quite prepared to have the committee clothed with power to inquire into all expenditures which related to the war, going back to the commencement of the war, if they so desired and believed it to be in the public interest so to do. I made that very clear, and agreed with him then and there, without conference with my colleagues, to strike out the word "current." But I said I would wish to get approval of the cabinet before giving any final word in the matter to the house.

There were one or two other words we also thought might as well go out. I refer to the words "for civil defence" in the clause "provided by parliament for the defence services, for civil defence and for other services." The words "for civil defence" which appear in the British resolution we did not think were necessary in the resolution to be put before this parliament. In the British resolution I believe the term "civil defence" has reference particularly to A.R.P. personnel and to the registration they have in England of persons offering technical and professional services in connection with the war effort. At any rate the words "for the defence services and for services directly connected with the war" we felt would cover all that could be included in "for civil defence."

Therefore it was agreed at that conference on February 19 that the resolution would read:

> . . . committee be appointed to examine the expenditure defrayed out of moneys provided by parliament for the defence services, and for other services directly connected with the war, and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein.

I shall come in a few minutes to what has taken place by way of criticism of the government by a section of the press of our country,

in advance of the presentation to-day of the resolution I have in my hand. But before taking up that aspect of the matter, I wish to point out why the government feels the resolution we are now presenting, in the broad terms to which I have just referred, should be accepted—and accepted as it is, without subtraction and without addition.

In a word it is this: We believe at this time of war it is advisable to follow the practice at Westminster with respect to all matters of procedure affecting the war, unless we have the best of good reasons for departing therefrom. If there is any reason why we should adopt in this parliament with regard to this matter a resolution different from that which has been adopted at Westminster, and if such reason is a material one, I shall be the first to be prepared to consider the re-wording of the resolution now before us. But I would not take upon myself the responsibility in this parliament, knowing of the zeal and care taken by the British parliament in connection with all matters respecting its public expenditures, of taking any step in some unforeseen direction at this time. It is for that reason that my colleagues and I feel that, having before us a resolution on which the British parliament is acting to-day, we are justified in presenting that resolution to this house, and that we would not be justified in making a material change in its terms.

But there is a further reason, and it is this: The resolution in the British House of Commons governing war expenditures is not one which has been presented to the British House of Commons for the first time either this year or last year. To all intents and purposes this resolution follows one which was passed in the British parliament in 1917, at the time of the last war. I would point out that on that occasion the war had run on for three years before in the British parliament any committee was appointed to deal with war expenditures. I might at this point refer to the action—or lack of action—in this parliament at that time. There was no committee appointed during the last war such as is being granted by this government under the resolution now before the house. No such committee was granted during the whole of the war period. But in Great Britain in 1917, after three years of war, the government did agree to the appointment of a committee along the lines set forth herein.

At that time every argument which could be put forward either for or against the resolution was, I believe, presented in the British House of Commons. The matter was fully discussed. The question of whether expenditures should be current expenditures or all expenditures, the question of whether the terms of the resolution should be broadened in any particular, the question of whether there should be a restriction as to matters relating to economy, and restrictions with respect to action being in accord with the policy of the government—all of these matters were carefully examined and discussed, by question and answer, by the opposition and the ministry, and at the end of it all the committee was appointed, without any division.

I have in my hand some of the statements made at that time. I believe they throw light upon the work the committee was intended to perform, and the reasons why the terms of reference are drafted as they are. At that time Mr. Herbert Samuel, now Lord Samuel, was leader of the opposition. Mr. Lloyd George was leader of the government, and Mr. Bonar Law was leader of the House of Commons, and spoke for the government in the house. The British *Hansard* for July 6, 1917, reports Mr. Samuel's observations. In the same issue will be found the words of the other gentlemen whom I have mentioned.

Mr. Samuel, speaking as leader of the opposition, said:

> This motion is not intended in any way by any member as a censure either upon the government or upon any government department. It is simply the desire of those who feel themselves to be the representatives of the taxpayers of the country to get information as to how the taxpayers' money is now being spent, and to get real information in an effective way.

Mr. Bonar Law who, as I have said, was leading the House of Commons, and speaking for the government, is reported as follows:

> We feel that the expenditure is so large that even from the point of view of satisfying the country, apart altogether from the House of Commons, that everything is being done to keep it down, it is desirable that further examination by the House of Commons should take place.
>
> It must be clearly understood that reference must be of such a nature as to cut a hard and fast line, if it is possible, in the reference, between criticism of policy and an attempt to control expenditure. That is what we desire.
>
> I propose we should appoint a select committee for two purposes, first of all—I am not attempting to give the exact terms of reference—to consider whether additional control can be obtained and in what way it can best be obtained as a permanent arrangement, and in addition to that we should authorize the same committee to do at once what was done by those cabinet committees of which my right hon. friend spoke, and go into the department to examine the method of expenditure, and make recommendations either to the House of Commons or to the department.
>
> That is my proposal. It is not a shelving motion in any sense, and it only carries out what is certainly my own view, that we ought

to do something more to satisfy not merely the House of Commons but the country—that we are doing all we can to get value for the money we have spent.

In concluding his statement Mr. Bonar Law used these words:

But if the House of Commons only desires—and I am sure it does—not to appoint a roaming commission to seek out grounds of criticism and attack upon the government—to effect some more real control over the vast expenditure, then that is what is desired by the government also, and my proposal gives it the opportunity.

I think the words of Mr. Bonar Law just quoted are similar to those which I used in this house on December 3 when I said:

. . . a committee which takes its responsibilities seriously, and will assist the government in exercising a control over the expenditures which are being made, keeping on the government the responsibility for policy, but being free to make suggestions that will be helpful and constructive, should be of the greatest possible service.

After the committee had begun its work the matter was again discussed at different times in the British house. Mr. Herbert Samuel, speaking for the opposition and referring to the work of the committee, made the following statement:

It approaches its investigations not in any spirit of hostility—as the chancellor of the exchequer has very kindly acknowledged—for we recognize, heaven knows, how heavy and how difficult are the tasks of those charged with the duties of administration during this war—but in a spirit of what I may call friendly vigilance, and with a single-minded desire to make such practical suggestions as commend themselves to us for effective saving; and in order to promote what is the most essential thing of all, an atmosphere of economy pervading the whole of the spending departments of the state.

Speaking on behalf of the government, and also referring to the work of the committee, Mr. Bonar Law said:

I must say that when the committee was set up, the government not only assented to it, but, I think, welcomed it. It was understood that the object of that committee would be not to harass the government departments, not to worry about mistakes which have been made in the past, except so far as they have a bearing on the future, but to devote themselves to helping the country, if possible, in keeping down the expenditure. I am glad to say that not only from their report, but from all I have heard about this committee, that it is in that spirit they have undertaken their work.

I give those passages to the house as indicating the spirit which governed the committee in its work and as indicating also the nature of the work and its scope. That was in 1917 and 1918. When the present war broke out, the British House of Commons had the experience of that committee to guide it, and it had all the discussions that had taken place in the committee as well as the reports. There were members of the British house who had served on that committee and who knew the value of its work. For that reason, when the present committee was proposed in the British house, every one was more or less familiar with its purpose, its method of carrying on its proceedings, its value, and the like. The result was that there was little or no discussion and no division when it came to the appointment of a committee.

May I draw attention to another fact brought out by my hon. friend the leader of the opposition. The committee in England was formed when Mr. Chamberlain was still Prime Minister and when, as the leader of the opposition said, there was an opposition party in the British House of Commons. I suppose there will be some who will say, "Oh, well, they have a union or a national government in Great Britain and that makes all the difference." I may deal with that, if necessary, a little later on. I would now point out that when the committee was functioning in 1917 there was an effective opposition, of which Mr. Herbert Samuel was the leader. The opposition in the British house at that time was made up of Liberals and Labour members.

I would also point out that when the present resolution was adopted in the British house it was at a time when the Labour party was in opposition, under Mr. Attlee, Mr. Bevin and other gentlemen. At that time there was in Great Britain no national government in the form in which it is at the present time. I have just been reminded that it was Sir Archibald Sinclair, the leader of the Liberal opposition in the British house, who asked for the appointment of the committee. He was supported by the Labour opposition and the Liberals, and both oppositions were joined by the government in a unanimous agreement to appointing a committee. So far as I have heard or know, there has never been any occasion to challenge the wisdom of the decision that was reached at that time.

I come now to a further reason why we feel it would be desirable to adopt the resolution in the form in which it is. Not only have we the example of the British house to guide us in its terms and method of proceeding, we have the advantage of having before us reports of the committee itself. When the leader of the opposition proposed this committee he said that he had in his hand copies of the reports of the committee which had been appointed. I have here the reports of the select committee on national expenditure. I

have used the phrase "committee to control national expenditure" because that is the designation used continually throughout the reports. The committee is known as the select committee on national expenditure. I assume that will be the name of this committee to deal with war expenditures.

I should like to go through these reports and indicate to the house what they contain, but that would take considerable time. I shall, however, give to the house from the reports themselves some particulars with respect to the British committee and its work, because this information will serve to indicate the scope of the committee that it is proposed to set up here, and the extent of the work it will have to undertake. I venture to say that hon. members will be amazed when they learn how wide is the latitude which the government has given to private members to investigate matters of expenditure pertaining to the war.

The first report of the committee was dated January 16, 1940. It outlines the organization. The committee of Great Britain had twenty-eight members, and it was divided into seven subcommittees which dealt with the following subjects:

1. Army services.
2. Navy services.
3. Air services.
4. Supply services.
5. Home defence services.
6. Trade, agriculture and economic warfare.
7. A coordinating subcommittee composed of the chairman of the whole committee and the chairman of each subcommittee.

I intend to read two or three paragraphs of the proceedings of the committee in Great Britain because I think they will throw a little light upon the nature of the proceedings and possibly guide our committee when it undertakes its duties.

The second report points out that the committee "conceive it to be more their duty to prevent or check waste before it occurs than to conduct enquiries into past events." At this stage four more members had been added to the committee and an additional subcommittee on transport services had been set up. The subjects upon which specific recommendations were made in this report were:

1. The coordination of procedure in the letting of government contracts.

2. The design, specification and supply of warlike stores with a view: (a) to get, if possible, an equally serviceable article at lower cost; (b) to get an equally serviceable article with quicker delivery; (c) to ensure that specifications include no superfluous quantities, qualities, or frills; (d) to exclude imported materials which are not essential; (e) to exclude domestic materials of which the supply is short.

3. The building programme.

4. The selection of sites for government buildings.

5. Competitive bidding for skilled workmen.

6. The consideration of the prevention of waste and salvage by a fact-finding survey.

In connection with the committee's report I have noted this particular paragraph which I think is of interest:

> The efficacy of your committee's investigations will perhaps never be fully obvious, either to the house or to the public at large, from their published reports alone. Not only do considerations of public interest preclude them from stating certain facts and figures, but also it has been found that the investigations themselves have led to immediate action by departments which might normally not have been taken till a formal report of the committee had been brought to their notice. Sufficient instances of this kind have occurred to convince your committee that this is one of the most valuable results of their activities, since their discovery of waste, actual or potential, brings immediate action with a view to its removal. This prompt contribution to efficiency and economy is, your committee submit, more vital to the national interest than the formulation of reports of a sensational or spectacular character.

The third report is an amended report from the subcommittee on army services. The subcommittee had, by April 10, 1940, held twenty meetings and heard twenty-eight witnesses. One of the chief subjects of inquiry was the army programme of building. The committee found that the necessity of speed in camp construction had inflated costs both of materials and of labour.

I wish to make clear to the house that the committees investigating these matters have gone very thoroughly into their work and have not hesitated to make very clear, wherever they found evidence of wasteful expenditure, just what the circumstances were. Here is one case and I give it as an instance because I have heard others commenting on the existence of similar situations here. The committee also found that not enough attention had been given to using small contractors in this work of camp construction and that delays which might have been avoided had existed in making plans available to contractors.

The committee also found deficiencies in the army methods of requisitioning land and buildings for military use.

The fourth report dealt with trade, agriculture and economic warfare. I do not know that I need to go into the details of that.

The fifth report dealt with air services. Here I pause to give the house a reference to the contents of that report:

The report is not concerned with the general activities of the Air Ministry but with two particular matters: (1) the site of a repair depot in Scotland and (2) an aerodrome in Kent.

Following the fifth report, the committee issued a special report, on May 28, 1940, dealing with its own procedure.

I shall take occasion to refer to this special report when I have concluded what I have to say about the other reports, because it contains mention of some things which I think will be helpful to hon. members in appreciating considerations of which full account must be taken.

The sixth report deals with the subcommittee on supply services and goes into questions of specifications of supplies; coordination of purchases; overtime for labour; salvage of waste products; the extension of the field of production through using all possible firms, large and small, for government orders.

The seventh report deals with the subcommittee on navy services. This report is concerned with the letting of contracts, the repair and construction of ships, and Sunday work on ship repairs.

The eighth report deals with home defence services.

The ninth report deals with transport services; the tenth report with priority organization; the eleventh report with replies of the departments to the first eight reports of the committee; the twelfth report with army services, and the thirteenth report with government films.

So far as I can learn, when the British house adjourned, the committee ceased to function but was reappointed as soon as the house reassembled on November 26. Before November 26, the committee had prepared one further report, the fourteenth. I have not been able to get the actual report itself. The fourteenth report was made on October 15, 1940. The committee, which was reconstituted at the beginning of the new session on November 26, issued its third report in January. This report dealt with labour waste in contracts and was reviewed by the parliamentary correspondent of the London *Times* on January 16.

I have not thus far been able to secure any other report, but what I have read, Mr. Speaker, indicates the very wide scope of activity for such a committee and will let members of the house see the nature of the service which it is possible to render to the government in assisting to control expenditures, to avoid waste and to prevent misdoing of any kind in connection with government contracts.

The special report of the committee was clearly made with a view to giving to the British house and to the public information which the committee felt it was important for the house to have in time of war. I quote from this special report:

1. Your committee concluded their second report by observing that the efficacy of their investigations might never be fully obvious from their published reports alone. In some cases, as they pointed out, their investigations had led to immediate action by the departments —a result which renders formal recommendations unnecessary—and in other cases they were precluded from stating certain facts and figures by considerations of public interest.

2. Your committee feel bound to revert to the difficulty caused, in time of war, by considerations of the latter kind, in that they inevitably hamper the procedure of reporting to the house. In normal times, a select committee discharge their duty by reporting their views to the house, usually with the evidence on which these views are based. The order of the house for the printing of the report and the evidence (if reported) is presumed to have been made as a matter of course, and publication duly ensues. On this the house, whether or no a formal debate takes place, can form its own judgment. In time of war this unrestricted publicity is incompatible with considerations of public interest, since nothing can be safely published which would give valuable information to the enemy. The difficulty, therefore, with which your committee is faced is how to fulfil their duty of reporting criticisms of departmental action or disagreements with departmental views, when the publication of their findings might endanger national security.

3. Your committee find themselves in this dilemma: considerations of national safety may preclude them from publishing certain recommendations and the arguments on which they are based, while the normal practice of the house prevents them from communicating their report to the members of the war cabinet who alone can take executive action to compel the departments to adopt your committee's recommendations. They feel bound to inform the house that, in order to carry out the task imposed upon them, the chairman of the committee and the chairmen of subcommittees, with the authorization of the committee or of the subcommittee in question, have considered it essential to approach ministers for direct discussions on matters arising from their inquiries and on the advisability of publicly stating certain facts and figures. This method of informal approach, however, though highly valuable, does not solve the whole problem.

4. Your committee are mindful that their duty is to the house. But, in war, the supreme consideration is to secure efficiency and swiftness in executive action, while preventing the disclosure of vital facts. Procedure must be moulded to fit these circumstances.

5. Your committee, therefore, recommend that when, in their opinion, a report should not be presented, their coordinating subcommittee

(which consists of the chairman of the committee and the chairmen of the subcommittees) should be empowered to address a memorandum to the Prime Minister for the consideration of the war cabinet, with a request for a considered reply thereto; and that your committee do report to the house on every occasion when this power shall have been exercised. They ask the house to give them this power.

In making these quotations I do not wish for a moment to have it assumed that the government proposes to put any restrictions on the committee that is appointed beyond those that are set forth in the terms of reference itself. But I feel it is only right and fair that at this stage, so that there may be no doubt hereafter as to whether or not a wise course is being pursued, that I should bring to the attention of the house some of the reasons why the British committee, when it was appointed, proceeded in the manner in which it did. I took occasion a day or two ago to telegraph to the high commissioner to ascertain whether what I had gathered from its own reports, namely, that the proceedings of the British committee had been for the most part in camera was correct or not. His reply to me was that the committees in England have held their proceedings in camera.

I can see at once wherein that circumstance is capable of being grossly misconstrued. Someone may say, "Well, we do not do business in that way as a rule." Of course we do not as a rule; but what I wish to emphasize to this house is what Mr. Churchill himself has had to emphasize over and over in the British parliament, namely, that we are now at war, and that things which can be done in certain ways in peace time cannot always with wisdom be proceeded with in the same manner in a time of war.

I have in my hand the report of the debate that took place in the British House of Commons on the 27th of last month. Hon. members will no doubt have noticed it. It was a debate that arose out of the appointment of the Right Hon. Malcolm MacDonald as high commissioner to Canada. The government had introduced a bill to permit members who received appointments from the government in connection with the war effort to retain their seats in parliament. Sir Samuel Hoare, Sir Stafford Cripps, who was at Moscow, and one or two others had received appointments and would in the nature of things have vacated their seats but for the special act that was being passed. Mr. Churchill said that he felt that in a time of war it was absolutely necessary that the ministry should have the right to make certain appointments from among members in the house, and he added that he would regard any vote against his motion as a vote of want of confidence in his government. I do not propose to take such a stand in this parliament, but what I wish particularly to direct attention to is what appears to have taken place in the debate to which I have referred. Let me read from the dispatch:

> In the same session Mr. Churchill, declaring impatiently that "I really must emphasize that there is a war on," turned down a request for a debate on the leasing of western hemisphere defence bases to the United States.

There, surely, was an apparently innocent enough subject for the House of Commons to discuss, one in which the British public was vitally interested—the leasing of certain British property to the United States. Yet Mr. Churchill would not allow a debate to take place on that subject in the British house, where members are so careful to have their property and other rights fully respected.

Why did Mr. Churchill not wish to have that debate? Because he knew that the minute a debate took place it might disclose in the House of Commons a difference of view which would be a great comfort to the enemy and might sow seeds of difficulty between Great Britain and the United States. He said, therefore, that in this time of war, when the nation is struggling to preserve the security of the state, this being its first consideration, he could not allow a debate to arise upon a question of that kind.

It is for similar reasons that in matters that involve the disclosure of facts, figures, as would give rise to situations which would be of aid or comfort to the enemy, it has been thought desirable to have these committees proceed in the way in which their own best judgment dictates. That is the reason. It is not that the government has anything to hide, or wishes to hide anything. It is because in a time of war, knowing the great responsibilities that rest upon the ministry and that the ministry must retain the confidence of the country if its war effort is to succeed, that this procedure is necessary. I say that without any hesitation. If confidence in the government is undermined or destroyed, that is going to have its effect upon the war effort of the country. Let the House of Commons give its confidence to the government or withhold it; but so long as we have the confidence of parliament, let us carry on our war effort in the best way we possibly can. If there is any reason why we should lose that confidence, let the reason be stated. But in the meantime I suggest, in the interests of what is best for the country in a time of war, that it is

desirable that confidence in government should be maintained in the eyes of the people.

May I come now to what I said of an effort being made to create the impression that the government has something to hide or is seeking to conceal something. That reason was put forward by my hon. friend, not as his belief but as the way in which many people would interpret the resolution if the word "current" were left in, the committee being appointed to examine current expenditure defrayed out of public moneys. Leaving in the word "current" might make it appear that the government was trying to hide something that had been done in the past which was not covered by current expenditure.

Mr. HANSON (York-Sunbury): I do not think I ever suggested that as the reason for taking the word out.

Mr. MACKENZIE KING: What did the hon. member suggest?

Mr. HANSON (York-Sunbury): I will speak about it later on. I do not recall having given that reason; I will put it that way.

Mr. MACKENZIE KING: If that was not the reason, a section of the press has not been slow in trying to have it appear that there is some reason of the kind existing. I have in my hand an editorial that appeared in the Montreal *Gazette* of March 1. The leader of the opposition a day or two ago advised members of the house not to attempt to enter into controversy with the press; he said that whoever took that task upon himself might expect the press to have the last word and would fare worse in the end. As a member of parliament, I feel that the rights of parliament are supreme over the press or any other institution in the country; and if I find the press of the country misrepresenting the position as it affects the government or its war effort, I intend to take exception most emphatically to what the press says. The press is one power in the country, but I hope the day will never come when the press supplants the place that parliament is supposed to have in upholding the rights of the people. There is one other power that is supreme over press and parliament alike, namely, the people of the country; and the people of this country, on more than one occasion, have shown what they feel with respect to a press that represents a point of view contrary to that which they themselves entertain.

May I read a part of this editorial dated March 1. I would have the house keep in mind that February 19 was the date on which it was agreed between the leader of the opposition and myself that the word "current" would be dropped out of the resolution and that the resolution that I would submit to the house would be to appoint a committee to examine expenditures defrayed out of public moneys, without any limitation by the word "current." The resolution having appeared on the order paper, the Montreal *Gazette* of March 1 said editorially:

> The wording is significant inasmuch as it binds the committee in advance by whatever construction the government may put upon the words "consistent with the execution of the policy."

That is the first effort to undermine confidence in the purpose of the administration in submitting this resolution in the form in which it is, including the words "consistent with the execution of the policy." My first answer to that criticism is that these words appear in the resolution of the British House of Commons in the order to its committee. But they appear there, and they appear here for the reason that the government is responsible to parliament for policy, and no committee of the House of Commons has the right under any procedure known to parliament to intervene between parliament and the administration. The question of policy is a question for the government to decide, a question to be debated on the floor of the house. It is not the business of a committee appointed by the house to decide whether policy is correct or incorrect; that can be discussed between the government and hon. members on the floor of the house.

But the editorial goes on:

> The phrase is restrictive, and as such it reveals a disinclination on the part of the government to allow the committee the free scope which some of its members may deem desirable and even necessary in the public interest. If the work of the committee is to be directed in accordance with the interest of the government if and whenever that interest appears to be in conflict with the interest of the taxpayer and of the national war effort, it follows that the results must be incomplete and therefore unsatisfactory.

Is that fair comment? Could anything be more unfair than that, for a responsible journal to challenge the intent and purpose and motives of the government in giving members of the House of Commons the right to investigate to the extent this motion does, in saying, "if the work is to be in the interest of the government"? I wish it to be understood that the work of this committee is to be, and I believe it will be, in the interest of the public and in no other interest. The government is here to serve the public interest and is asking for this committee to help in that effort.

The editorial goes on:

Unfortunately, there is other evidence justifying an apprehension as to the government's attitude.

Notice that word "evidence". There is "other evidence". We have not had any evidence thus far. No evidence has been adduced up to the present, only misrepresentation, unfair comment. But:

Unfortunately, there is other evidence justifying an apprehension as to the government's attitude.

This in a time of war when we are told that the Conservative party—and this paper certainly represents what is left of the Conservative party—is trying to cooperate with the government in the matter of Canada's war effort. Note this following sentence:

The scope of the committee's labours was discussed on Monday between the Prime Minister, the leader of the opposition and some of the latter's colleagues, and reports from Ottawa are that the deliberations were not amicable.

That reference is to Monday, February 24. It was on February 19 that a decision was reached to omit the word "current" from the resolution. The meeting of the 24th dealt with a still further enlargement of this proposal, but it did not alter that question of the agreement of the government to allow the word "current" to come out.

The editorial continues:

They were, on the contrary, heated and acrimonious, assuming the correctness of information obtained by the Canadian Press. The substance of the story is that opposition members tried to insist upon the committee's right to examine all war expenditures incurred since the commencement of the conflict whereas the Prime Minister was prepared only to permit examination of current outlays as is done in Britain. The Conservative retort was that the British committee has been at work since the war began and therefore has knowledge of all expenditures and what was got for them.

I leave hon. members to reach their own conclusion as to where the *Gazette* got its inspiration. Certainly it was not from anyone on this side of the house.

Mr. HANSON (York-Sunbury): Does the Prime Minister suggest that it came from me or my colleagues? I deny it absolutely.

Mr. MACKENZIE KING: I will say to my hon. friend that I do not believe it came from him; I do not believe it came from the hon. member who sits to his left. I will not say anything more.

Mr. HANSON (York-Sunbury): I think the Prime Minister can go the whole length. As far as I know, he can go the whole length.

[Mr. Mackenzie King.]

Mr. DIEFENBAKER: Does that leave the inference that it came from me? If it does, I ask the right hon. gentleman to withdraw the inference that I ever gave any information to any press man.

Mr. MACKENZIE KING: The three hon. members who were present at the conference have all spoken and I accept their word, that not one of them gave any kind of intimation of what took place at the conference to any member of the press. I say the same with respect to all my colleagues who were present. Nevertheless, we get this interesting account. Perhaps there was an intermediary. Let me read a little further.

The inference is that Mr. King is afraid of a full investigation.

All this is based on the assertion that I would not allow the word "current" to go out. And I had stricken it out ten days before. It goes on:

Rightly or wrongly, that is how his position will be interpreted by the people of Canada. They will conclude that he has something to hide and they will have ground for believing that it is something exceedingly grave.

And this is interesting:

This ground is supplied in the amazing statement that the Prime Minister threatened to resign if he could not have his way. Surely this country, at this time of all times, is entitled to something better from the head of its government than the behaviour of a temperamental prima donna.

I think this is the first time, it is as far as I am aware, that I have been credited with being a temperamental prima donna. I rather thought the criticism was that I was far too colourless, that I did not give the press anything for headlines, that I was not spectacular enough, that I did not say nasty things about other people and gain special prominence for so doing. Then it goes on to say:

This is not war leadership, if it is leadership at all, and the greatest war in history is reaching its most critical stage, as critical for Canada as for any other country. The whole situation in regard to this war expenditure committee looks wrong, about as wrong as it could be, and it leaves a very bad taste in the mouth of the public.

I ask hon. members if that is fair criticism. Are not all these not only false insinuations but false statements? Are they not malicious statements? I go so far as to say that that article is libellous; first, because it is false, and, second, because it is malicious, and it bears the stigma of both these things on its face. I go further and say it infringes the privileges of this house.

I come now to another paper. Just before six o'clock I read to the house how strongly the Toronto *Globe and Mail* eulogized the administration for its stand before adjournment in agreeing to accept the motion put forward at the suggestion of the leader of the opposition, and for undertaking to introduce the motion being put forward to-day. But what is said in an article that appears in the *Globe and Mail* to-day on the same resolution? Hon. members will notice that these articles have been appearing before the subject matter has been discussed in this house. In other words, fill the public mind with all the prejudice you possibly can before there is any opportunity for the government to say a word, and then in the next editorial say that the government found itself on the defensive and that Mr. King spent most of the afternoon trying to defend himself against some accusations that he must know are only too true.

The editorial I read just before recess was headed something about confidence being established. This one is headed "The First Billion Dollars." It not only misrepresents motives as the editorial I have read from the Montreal *Gazette* did, but it also misrepresents the facts. It begins, by speaking of:

> . . . the reported determination of the Prime Minister to prevent examination of the first billion dollars spent on the war.

In other words, leading the public to assume that I am preventing inquiry into "the first billion dollars", being the first year's war expenditure. It goes on to say that I have precluded the committee on public accounts from meeting, and goes on to say:

> The right of the public accounts committee to examine the accounts of the past year has been recognized for more than half a century.

It quotes at length from Sir Richard Cartwright, Sir John Thompson and others to show that the public accounts committee have a perfect right to examine accounts relating to the past, and it leaves the impression that I have been and am preventing the public accounts committee from meeting and am also determined to prevent this committee from going into the public expenditure for more than a year.

What are the facts about the public accounts committee? The committee was set up in this house on November 22, if I am not mistaken.

The committee is there; it can meet at any time any hon. member wishes to have it called. The auditor general's report was tabled in this house, I have forgotten on what date. If it has not been referred to the committee on public accounts, that has been due to an oversight, and I would ask the Minister of Finance (Mr. Ilsley) to see that it is referred to the committee to-morrow. The public accounts committee is there, as it always has been, and this government is not trying in any way to prevent that committee from functioning, going into any matter into which it may wish to inquire. Any hon. member has the right to request that this should be done. But let me read the conclusion of this editorial:

> Ministers may argue speciously that rules which might apply to the regular public accounts committee of the commons and be faithfully observed in its proceedings are not applicable to a special committee on war expenditures, but the argument will not hold water. It is no credit to governments or parliaments that the public accounts committee has not functioned for years, but the special committee on war expenditures has under the strong pressure of public opinion been conceded by the government as a substitute for it in order that popular disquietude about certain features of the ministry's war programme might be allayed.

I say that statement is an entire falsehood. The committee which is being set up, if this house accepts this resolution, is not in substitution for the public accounts committee; it is in addition to the public accounts committee. This is a committee that can go back over ground which should be confined to the public accounts committee, and which in Great Britain is so confined. Then the editorial concludes:

> It will be farcical and something worse if the government, having conceded the committee, reduces it to partial impotence by debarring it from inquiring into the first billion dollars of expenditures, and the opposition will be derelict in its duty if it does not insist upon the withdrawal of any limitations upon the investigation.

I do not think I need say more about that article. Why are these editorials put forward at this time? When the opposition in this house profess that they are cooperating with the government, seeking to help in the war effort; when they are being praised by the Montreal *Gazette* and the Toronto *Globe and Mail* for that patriotic attitude, why do these papers attack this administration, not on anything we have done but accusing us of something we have not done and have never thought of doing, and then condemn us on that specious charge? If that is cooperating in war effort, I have still to learn the meaning of the word "cooperation."

I am not going to take the time of the house to go over other press comments, but there is one with which I wish to deal because it reflects on every member of this house.

Before I do so, I think I might read to hon. members one or two citations from "Beauchesne's Parliamentary Rules and Forms," relating to the privileges of members of this house. Citation 157, under standing order 16, reads:

Interference with or reflections upon members have been resented as indignities to the house itself.

Then citation 162:

Scandalous charges or imputations directed against members of a select committee are equivalent to libellous charges brought against the house itself, while a letter complaining that a member who had been nominated upon a select committee would be unable to act impartially upon it has been adjudged a breach of privilege.

I think the sooner it is understood both inside and outside this house that any charge that members being appointed to committees of this house cannot act impartially is a breach of the privileges of this house, the better it will be. Any charge of partiality, or assumption of partiality, on the part of a member of the house serving on a committee is a reflection upon the member and also upon the house itself; and, as the one who is more responsible than any other in this house for maintaining the rights of members and the privileges of the house, it is part of my duty to bring that matter prominently at this time to the attention of hon. members and of some of those who control the press in the country. I find as the heading of an article which appears in the Toronto *Globe and Mail* of February 22, 1941, "Impartial Probe Desirable." Then I read this statement:

In another column on this page we publish a pertinent letter from Mr. Harry R. Jackman, M.P. for Toronto-Rosedale, in which he makes the point that the maximum effectiveness of the special parliamentary committee on national expenditures is not likely to result unless there is on the committee adequate representation of the opposition.

I have before me the letter referred to; I shall not read it. The hon. gentleman is one of the new members of the house, and I am prepared to believe that he wrote the letter without realizing the extent to which it reflected upon every member of this house. I will go on and read what is said in this editorial appearing in the *Globe and Mail:*

It is not to be expected that the ten Liberal members will bestir themselves to expose the shortcomings of the government; consequently the task of ferreting out information will devolve upon the handful of Conservative and leftist members.

This editorial is a reflection upon every hon. gentleman on this side of the house, without exception, and is a reflection upon this house itself.

[Mr. Mackenzie King.]

An hon. MEMBER: Do not forget this corner.

Mr. MACKENZIE KING: And on hon. gentlemen sitting in that corner as well.

Mr. JACKMAN: If I may interrupt, I would point out that the paragraph which the Prime Minister has quoted was incorporated in a letter from myself to the *Globe and Mail,* but was taken from an editorial appearing in a previous edition of that newspaper. If I have cast any reflection upon any member of this house who may have been nominated to that committee, I certainly express to such hon. member and to the house my sincere apologies, and suggest that no reflection was intended.

Mr. MACKENZIE KING: As I have already said, knowing the hon. gentleman I am sure he would be the last to wish to do anything contrary to the rules of this house, and particularly anything which might constitute a reflection upon his fellow members.

I wish to say just a word as to why the committee has been made so large. In the first place, that has been done in order that hon. gentlemen immediately opposite may have on the committee a larger representation than they would have if the committee were smaller in number. If this had been a committee of fifteen, their representation would have numbered three. On a committee of twenty-four the Conservative representation numbers four, with one member from each of the two other parties. There was the further desire to interest a large number of members in this work of helping to control war expenditures. Let me read the names of the members of this committee and as I read them I will ask hon. members whether they believe any of these hon. gentlemen, regardless of which party they support, are likely to discharge their duty to this committee in a partial manner; or whether they are not all honourable and patriotic members of this house who can be trusted to perform their duty as their constituents would expect them to.

Mr. McGREGOR: Why not ask the little boys to stand up as their names are called?

Mr. MACKENZIE KING: The little boy who is speaking just now evidently wishes to be heard but not seen.

Mr. McGREGOR: No.

Mr. MACKENZIE KING: The names of the Liberal members on the committee are as follows: Abbott, Bercovitch, Bradette, Chevrier, Cleaver, Fournier (Hull), Gladstone,

Golding, Graham, Gray, Macdonald (Halifax), Mayhew, McGeer, Picard, Pottier, Ross (Moose Jaw), Sissons, and Thorson.

I ask members of this house if there is exception to be taken to the name of any one of those members on the ground that such hon. member named is not likely to do his full duty on the committee, if he is placed there.

These are the names of the Conservative members on the committee: Black (Cumberland), Diefenbaker, Harris (Danforth), and Green.

Then there is the name of Mr. MacInnis of the Cooperative Commonwealth Federation and Mr. Marshall of the Social Credit group.

Mr. HANSON (York-Sunbury): The Prime Minister would not give them a certificate of credit, would he?

Mr. MACKENZIE KING: Yes; I am prepared to give them a certificate of credit with respect to the integrity with which they are bound to and will, I believe, discharge their duties.

There is one word with which I should like to conclude. In the course of our conversations together, the leader of the opposition asked me if I would give him, in the form of a memorandum, what I had said to him I felt to be an essential consideration in connection with the appointment of the committee. I sent my hon. friend the memorandum he requested, in the form of a letter, and I believe he will take no exception to my reading the letter to the house because it expresses what I believe ought to be present to the mind of each hon. member who serves on the committee, and in fact to the mind of every hon. member in the house.

In these days, when one has reason to know a good deal about the possible trend of the world situation, when one faces from hour to hour the possibiltiy of having to make some announcement to the house about a development which will fill the minds of all with immediate concern, it is not an easy burden, may I say, to have one's motives continually misrepresented to the public as being those of a person who is considering only what he can hide or what he can conceal, a person having ulterior motives in everything he does. I believe I have been long enough in this House of Commons for hon. members to know where I stand on questions of public integrity.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: I believe, too, that I can let my life record speak for itself in that regard. But if I say to this House of Commons that there are some considerations which make it impossible to-day, in a time of war, to proceed as we would ordinarily proceed in times of peace, I hope it will be understood that I have the very best of reasons for so saying. I do not think I need to state them for hon. members to appreciate their importance. It is not only Canada's war effort that is at stake in this war. Anything which affects adversely Canada's war effort is going to affect adversely the war effort of the British empire. It is going to do more than that; it is going to affect adversely the war effort of all those forces fighting for freedom against tyranny, against world domination.

I have striven as best I could to prevent things from being said in this House of Commons which might make us responsible for some aspect of the war for which none of us would care to be responsible. I have been chided for that. I have been chided because I have said, "Let us be careful what we say here. It may not be understood in other countries in the way it is understood here." But at least my conscience is clear in that I have uttered no word I know of which could provoke any situation, or make a bad situation worse. I believe I am equally clear in my own conscience when I say that I have asked nothing of this House of Commons from any motive other than that of what I considered to be most necessary to make our war effort as effective as possible, and to prevent anything from happening which might at a time of crisis make a bad situation worse.

It was that which I had in mind when I sent this letter to my hon. friend, in answer to his request. Upon reading the letter I shall have concluded what I wish to say. It is as follows:

Ottawa, February 20, 1941

The Honourable R. B. Hanson, P.C., M.P.,
Leader of the Opposition,
House of Commons,
Ottawa.

Dear Mr. Hanson:

You have asked me to let you have, in the form of a memorandum, the consideration of which I mentioned full account should be taken in the terms of reference of the committee on national expenditure.

In a word, what I mentioned was that I thought the United Kingdom was as concerned about the control of expenditures in time of war as Canada; that unquestionably the government and parliament of the United Kingdom had considered the matter from every possible angle, and that I thought there must have been the best of reasons for the terms of reference of the select committee of the British House of Commons being in the words they are, both as regards what they contain and what they do not contain.

I suggested that, having read the reports of the United Kingdom select committee on national expenditure, you yourself would be

wholly familiar with the reasons which, at a time of war, had caused the British parliament to proceed with respect to national expenditures in the manner it had, and that I hoped you might find it possible to explain these reasons to members of your party who might be conferring with you concerning the terms of reference of the committee to be appointed by our own House of Commons.

The war effort of the British commonwealth of nations is a united effort. Whatever affects that effort in one part has its effect upon all. I should feel I was assuming a very grave responsibility if, in a matter to which the United Kingdom parliament had given every consideration, and had adopted a procedure respecting national expenditures which it deemed imperative at a time of war, I were not to point out to all concerned the responsibility which our own House of Commons would be taking upon itself in departing from the procedure followed at Westminster, particularly where that procedure had been adopted with special reference to war-time expenditures.

You will have observed that the select committee on national expenditure of the British House of Commons drew the attention of the house in a special report to the difficulties caused by considerations of public interest in following ordinary procedure in time of war.

The following appears in the report of the committee:

"In normal times, a select committee discharge their duty by reporting their views to the house, usually with the evidence on which the views are based. The order of the house for the printing of the report and the evidence —if reported—is presumed to have been made as a matter of course, and publication duly ensues. On this the house, whether or no a formal debate takes place, can form its own judgment. In time of war this unrestricted publicity is incompatible with considerations of public interest, since nothing can be safely published which would give valuable information to the enemy."

Another section of the same report is as follows:

"Your committee are mindful that their duty is to the house. But, in war, the supreme consideration is to secure efficiency and swiftness in executive action, while preventing the disclosure of vital facts. Procedure must be moulded to fit these circumstances."

It was these aspects of the matter which I felt placed a responsibility upon every party and member in the House of Commons, not less than upon the government, and which I was anxious, as leader of the opposition, you should have particularly in mind.

You will, no doubt, recollect that these were matters carefully considered at a conference which was held in my office prior to adjournment, at which the question of the nature of the committee to be appointed to deal with national expenditures was considered between yourself, Mr. Stirling and Mr. Green and some of my colleagues and myself.

Yours sincerely,

W. L. Mackenzie King.

[Mr. Mackenzie King.]

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I am sure we have all listened with the most intense interest to the two-hour address of the Prime Minister (Mr. Mackenzie King) which he has just concluded. I confess I am surprised that he took so much time to defend a position which, so far as I am aware, has not been the subject of intense attack at least by us on this side of the house, whatever it may have been in the country.

I am bound to say that the first impressions on my mind are that he has proved, beyond peradventure, the value of the suggestion which I made to the house and the country on December 3. Second, he has taken the opportunity to battle with his friends the press in connection with the attitude they have taken with regard to this subject. May I say that so far as his engaging in that combat is concerned, I leave him to his friends of the press. They are quite able to take care of themselves, and no one has asked me to constitute myself as their champion.

Mr. POULIOT: It is just as well.

Mr. HANSON (York-Sunbury): Further, I should like to say that never at any time have I communicated to the press any of the proceedings of the confidential conferences that were held from time to time with regard to this matter. I have been amazed at the crossing of wires which seems to have occurred and at the stories which have been published in the press with respect to what is thought to have taken place. I will just say to them that they appear to have mixed up two things. I am going to leave that matter right there.

At the risk of taking a little time—I promise the house that I shall not take up one-half the time taken by the Prime Minister—I should like to take the house back to the date when I first brought up the question of the examination of war expenditures. Speaking in the debate on the address on November 12, 1940, I made the following observations, which were referred to in part by the Prime Minister, and which will be found at page 34 of *Hansard:*

We on your left, sir, hold the view, and I believe it is well founded, that it has been the deliberate policy of the government, during the past session as well as during the interval since we adjourned in August, to endeavour to create the impression that all was well with our war effort. In our view the government has sought to lull and soothe the Canadian people into a false sense of security, and continues to do so. It has sought to convince the people that we are living in the best of all possible worlds.

Those who are alive to the situation know the dangers that lurk behind such a position, and they are alike alarmed and anxious. Knowing of this feeling, I am impelled to propose to the government that it cause to be set up immediately two select special committees which will be charged with the responsibility and the duty of investigating and reporting to this house factually, objectively and truthfully, without bias and without partisanship—and I have no doubt that is possible—what is our exact position (a) with respect to our fighting forces, military, naval and air; and (b) with respect to the production and delivery of all the important materials, equipment and supplies necessary in our war effort, so that the Canadian people may know the truth. Before such committees ministers could appear and be subject to questioning. Progress reports in the form of speeches in the house by ministers are not good enough. You can never elicit the naked facts in that manner. Only the time-proven method of cross-examination by question and answer will suffice. The process should be free from anything in the nature of propaganda. The public has been fed that until it is nauseated.

Then I go on to say:

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

That was the proposal which I laid before this House of Commons on November 12 last. That proposal related to two distinct matters, namely, an investigation into the armed forces of the nation and one into production and expenditure. In ordinary peace times I would never have made any such suggestion; in ordinary peace times it would not have been necessary; in ordinary peace times there would be available the usual procedure and methods to investigate these matters. But because we were at war, because there was questioning in the hearts and minds of the Canadian people as to the government's war effort, I thought this should be done. Why should there not be such questioning? I am not going to traverse with respect to this matter the ground I have covered on previous occasions.

The Prime Minister knows the charges made against his government with regard to the war effort during the first twelve months of this war just as well as I do. The fact that the charges are true is why we are so far behind to-day after eighteen months of war. I am not, however, going into that matter to-night. I felt impelled to make that request of the Prime Minister because this nation was at war, and I think I made it in reasonably moderate language. At all events no exception was taken to the manner or the method that I suggested. I suggested a conference and the Prime Minister was good enough to give it to me. We met, and I am bound to say that my understanding was that at the conference we agreed that it would be confidential in nature. I understood that we were to speak freely, and I tried to observe that from A to Z. We did speak freely.

I did not go into details of what I had said in the house, because the Prime Minister and his colleagues knew that without my telling them. My colleagues knew it without my speaking about it. I do not intend to go into the details of my conversation with the members of the government, but I will say that the government would not accept the proposals which I made. The Minister of National Defence (Mr. Ralston) gave the reasons for not accepting one proposal. I shall not go into those reasons, but I want to be quite frank in what I say. The Minister of National Defence stated that in a time of war it would be impossible for his headquarters' staff to be at the beck and call of a parliamentary committee. I am bound to tell the house that I agreed with him. That was the spirit in which I met them. I shall not elaborate on that statement, but if he desires to do so he is at liberty. I shall free him from anything. I was impressed with his statement as to the undesirability at this critical time of having his officers delegated to wait upon a parliamentary committee appointed to investigate the position of our fighting forces, military, naval and air.

With regard to the investigation of questions relating to the production and delivery of all the important materials, equipment and supplies necessary in our war effort, there was not so much unanimity. I could not get the consent of the government to investigate those matters. Until last week the attitude of the government with respect to giving information relating to the production of equipment and supplies was quite apparent. We have been deluged with promises and expectations, but we have been told nothing factually as to what the government's effort was in terms of production and delivery. We never got that until the Minister of Munitions and Supply (Mr. Howe) gave it to us last week in connection with the war appropriation measure. The government had taken that attitude and I had no power to compel them to do otherwise. I did not try to compel them after that conference. We failed in our

initial undertaking, but that initial undertaking was made in the utmost good faith in an effort to ascertain for the Canadian people just what this government had been doing along the lines of the two subject matters involved in the suggestion that I made. We failed in that, and for that failure I am sure the Prime Minister will assume responsibility. He has already anticipated criticism here to-night in that regard.

Having failed in that direction, I turned the matter over in my mind. I still felt that something ought to be done; if I could not get a full measure of the story that ought to be told the Canadian people, I thought that possibly I could get something like a halfway measure, and therefore I did not let the matter die. On December 3, having heard what had taken place in England, I came back to this house, and in the course of a debate I made a proposal which will be found at page 615 of *Hansard*. At the risk of wearying the house, but in order that it may be on the record, I propose to read what I said on that occasion with regard to this matter. I quote:

> Speaking on a former occasion I requested specifically that parliament be informed as to what results had been attained with respect to production and deliveries, because we held the view, and I believe it is well founded, that it was the deliberate policy of the government, during the past session as well as during the interval since we adjourned in August, to endeavour to create, by general statements of what we are going to do in the future, the impression that all was well with our war effort in the way of production and deliveries.

Then I went on to say:

> Therefore I felt impelled to ask the government that it cause to be set up immediately two select special committees, charged with the responsibility and the duty of investigating and reporting to this house, factually, objectively and truthfully, without bias and without partisanship, what our exact position is to-day (a) with respect to our fighting forces, military, naval and air, and (b) with respect to the production and delivery of all the important materials, equipment and supplies necessary to our war effort, so that the Canadian people might know the truth.

There was no suggestion of scandal there. What I was asking for was facts, information—information which I declared the Canadian people were entitled to get and which up to that time had been specifically denied them. That was the position I took on the first occasion, and it was the position I reiterated on December 3. Then I went on to say:

> So far, such committees have not been set up. I indicated that I knew there were difficulties, and I would ask the Prime Minister, if he can and will, to tell the house what the attitude of the government is with respect to that.

I knew what the attitude of the government was with respect to it. They had told us, and in my own mind I had practically abandoned the effort which I had undertaken and the objective I had in view, namely, the whole or one hundred per cent of what I asked for. But I had not abandoned the idea that the Canadian people should be taken into the confidence of the government, to some degree at all events; and I never shall. War time or no war time, the people who are paying the taxes to the government are entitled prima facie to know what is being done with their money, and there are just two restrictions on that. These are, that the safety of the state shall not be endangered by reason of the divulging of such information, and that no aid or comfort to the enemy shall thereby be given. Save for these two limitations, there is no valid reason in the world why the Canadian people should not know what is being done with the money wrung from them by taxation and lent by them to the government.

After all, a point was made by the lady member of the house to-day, that the government of the country are not our rulers but our servants. Do not let us for a moment forget that. I think the Prime Minister, flushed as he is with the result of the voting on March 26 last, has forgotten for the moment that he is the servant of the Canadian people; and if he is not in actual name a dictator, he is rapidly approaching that point of view. Make no mistake about that; the government of this country in war time as in peace time is still, under our democratic system, the servant of the people. Do not let this government get away from that point of view for one instant. As far as I am concerned I intend to iterate and reiterate that point of view.

Mr. MacNICOL: It is a long way from it now.

Mr. HANSON (York-Sunbury): I am afraid we have departed a long way from that principle. Having in mind what had occurred, knowing the attitude of the government, and being impressed, as I said before, with the reasons advanced by the Minister of National Defence (Mr. Ralston) responsible for the conduct of his staff, responsible for their time and labours, and their direction of our war effort, I realized it was impossible to get the government to accede to the request I had made. I yielded readily on the one point; I did not yield as readily on the other point; and so I turned the matter over in my mind. I had read about what is being done in England. The Prime Minister has indicated to-day

that this was not a new thing in 1938 when the present committee was set up over there, that it went back as far as 1917. That is a matter of historical interest; it does not add to the value of the thing at the moment.

He said that such a thing was never suggested in Canada before. The Prime Minister was not in parliament in 1917; neither was I. He was not here in 1915; neither was I. But there was a war on in 1915. Sir Robert Borden was Prime Minister, and there was the greatest drive that this country has ever seen against the government of that day in connection with war contracts. What we have attempted to do here is a pacifist movement compared with what Frank Carvell and others did in 1915. What did Sir Robert Borden do? Did he give a limited liability committee? If hon. gentlemen are interested in the historical aspect of this matter, to which the Prime Minister has adverted, I would suggest that they look up Sir Robert Borden's Memoirs, which have had a great interest for me. Certain expenditures had been made with respect to the purchase of arms and munitions, implements and materials and other supplies for the purpose of the war, and they were being questioned by the then opposition; and in June, 1915, Sir Robert Borden, as stated in his Memoirs, page 492, thought it—

> . . . desirable and necessary to establish a commission for the investigation of purchases by the government during the ten months which had elapsed since the outbreak of war.

That goes far beyond anything I have ever asked to have done. These purchases had been quite considerable and the expenditures were investigated by the public accounts committee, but it seemed expedient to continue and enlarge the investigation. What did he do? He appointed Sir Charles Davidson, retired chief justice of the supreme court of Quebec, on June 2, 1915, as a commissioner—what for?

> To inquire into, investigate and report upon the purchase, by and on behalf of the government of Canada, through whatever agency the purchases may have been effected, of arms and munitions, implements, materials . . . etc. . . . for the purpose of the present war and as to the expenditures and payments made or agreed to be made therefor.

That is what Sir Robert Borden did, and that went far beyond anything the British government has ever done. That went far beyond anything that this government is now offering to do or even asking us to do. I hold in my hand a copy of order in council, P.C. 1287, approved by His Royal Highness the Governor General on the 2nd day of June, 1915, setting out the scope of the proposed commission, and it is as wide as language can make it. There were no restrictions.

Following the passage of that order in council, a royal commission was issued to Sir Charles Davidson under the provisions of the Inquiries Act. Not only that but the government appointed at public expense eminent counsel to carry on an investigation on behalf of the public or any member of the public who wanted to make a single appearance before that commission on any matter of war expenditures. In other words, Sir Robert Borden opened the door wide to anybody who wanted to walk in. He was not afraid of public opinion. He was not afraid of any breach of privilege. He was not afraid of the Canadian people. They did walk in; the inquiry was held, and evidence was taken under oath. Eminent counsel were appointed; the commission made its report, and as a result of that report certain people were punished. That was something new in the constitutional history of Canada.

When my right hon. friend attempts to convince the people of Canada that what he is accepting or proposing to do is something new or something that is important, I say to him that he had better read his history over again. I say it is not new and it is not nearly as important as what Sir Robert Borden did. Sir Robert Borden followed the proper course. It was the course I failed to convince the Prime Minister in my first conversation with him, based on the statement I made on the 12th of November, should be adopted. I would not have mentioned that, had not the Prime Minister suggested, in order to bolster up his position, that nothing like what had occurred in England had ever occurred in Canada before. Nothing similar had occurred in Canada before, it is true; but I repeat, something far better in the interest of the taxpayers of Canada had been offered and had been put into effect here before. That is enough for that.

Having arrived at the conclusion after my interview with the Prime Minister and certain of his ministers that I could not get anywhere with part (a) of my proposal, and not feeling confident that I could get anywhere with part (b), I made another statement to this house on the 3rd of December, and this is what I said, in addition to what I have already quoted:

> So far such committees have not been set up.

That was referring to the committees I had asked for. I went on:

> I indicated that I knew there were difficulties, and I would ask the Prime Minister, if he can and will, to tell the house what the attitude of the government is with respect to that.

That was not indicating a quarrelsome or querulous mood, was it? I went on:

If the difficulties are such as cannot be surmounted, then I have another concrete suggestion which I desire to lay before the house and the country.

Then I made the suggestion which the Prime Minister has read here to-day, the setting-up of a select committee to deal with the question of expenditures on war account. I made that suggestion. I have never sought by word or intimation or anything else to convey the impression that I did not make the suggestion. But I wish to say this in all candour to the house and the country. When I made that suggestion I never realized the implication that such a committee, if set up, could not make any report to the people or to the country. I did not visualize that. I ought to have had brains enough to see it, but I am sometimes stupid and I make no apology for that. When I read that into the records of the house on the 3rd of December, I did not visualize that such a committee, while they could investigate and examine, could not make a report to the country. What would be the good of such a committee, to my mind, without power to report?

Therefore I went back to the Prime Minister and we discussed this matter. I am bound to say for the most part these discussions were carried on in the friendliest manner, with the greatest candour on both sides. I wish to say to the Prime Minister that when I suggested on one occasion—I think it was on the 24th of February; I am not quite certain but I have the date upstairs although not here—the elimination of the word "current", he agreed almost immediately. For that I desire to give him credit. He certainly did agree almost immediately, and he agreed of course to the elimination of the words "for civil defence" for the reasons which he has explained at some length. We did not think they would be appropriate in the circumstances here, he having explained that the words referred to certain services that were not germane to the inquiry or to the matters we had in mind, and that they might well be eliminated. We were of one opinion on that.

As a matter of fact, there were only two points at issue between us all the way through. I raised them after having discussed these matters with my friends on this side of the house, who pointed them out to me.

First, the committee had no power to report on any expenditures.

[Mr. R. B. Hanson.]

Mr. MACKENZIE (Vancouver Centre): On a point of order may I ask my hon. friend a question? He is aware that the committee in England has already made fourteen reports, is he not?

Mr. HANSON (York-Sunbury): Oh, yes, I am coming to that. Will my hon. friend please allow me to proceed?

By the terms of the order of reference, strictly interpreted, if I understand the English language, the committee would have no power to report upon its examination into any expenditures at all, past or current, if the word "current" were left in there. I thought that was too restrictive, and that is the point of view I put before the Prime Minister.

Mr. MACKENZIE KING: May I ask my hon. friend what is the meaning of the words "with power to examine witnesses and to report from time to time to the house"?

Mr. HANSON (York-Sunbury): My right hon. friend took almost two and a half hours or two hours to put forward his point of view in this whole thing, and I am not controverting a large part of what he had to say. I think, as a matter of fact, that the factual history he gave, with some slight discrepancies according to my memory, is fairly accurate. There are just a few points on which we differ. Our point of view differs on this, that I do not agree that it would have anything like the effect he says it would have if we had this inquiry wide open and we were able to make a report upon our examination to the house.

The two points at issue were these. The first was that under the terms of reference as I interpret them, while the committee may examine into expenditures, and as the resolution is now amended, into past expenditures as well as current, into all expenditures, it has no power to report to the house with respect to these matters under examination. All it has power to do, if I read the order of reference aright, is to report to the house what, if any, economies may be effected consistent with the execution of government policies. I will read it:

. . . and instruct such committee to report what, if any, economies—

Not to report all the expenditures which have been under examination, but:

. . . to report what, if any, economies consistent with the execution of government policies may be effected therein.

Those are the limited powers which this committee has, and my friends pointed out to me that this was altogether too narrow and restrictive. I endeavoured, with all the

powers of persuasion that I had at my command, exercised in a decent way—I am sure he will acknowledge that—to induce the Prime Minister to agree that the committee should have power to report on the expenditures, and also on what, if any, economies might be effected in future expenditure. Let me pause here to examine certain words that are interpolated in that part of the proposed reference.

Mr. MACKENZIE KING: First, may I ask my hon. friend if I am correct in saying that this resolution as presented to-day is identical with the one presented to the British parliament?

Mr. HANSON (York-Sunbury): With certain exceptions I think it is. I have not controverted that. But I would point out that this report on any economies that may be effected in government expenditure must be consistent with the execution of government policy. Never at any time have I suggested that this committee should be authorized or empowered to investigate, or should investigate, government policy with regard to the war, because, as the Prime Minister has stated here to-night, the government must take the responsibility for policy. I never for a moment suggested; I never asked; I never contemplated that any change should be made in what perhaps is one of the most important clauses in the whole reference; that is to say, I never suggested that government policy as such, as distinguished from government expenditure, should be the subject of investigation. I do not think it would be proper for me to ask for a committee to investigate that. If I am opposed to government policy—and in many respects I am—right here on the floor of the House of Commons is the place for me to make that attack. If I can succeed, well and good; if not, I have the satisfaction of having made the attempt to put forward the views of people opposed to certain matters of government policy. That is the course I have pursued right along. In respect of that, the whole thing boils down to a very narrow compass.

There is one other circumstance to which I desire to refer. On the question of the order of reference, the only thing on which we were not in agreement when we last met was this question of the power of this committee, having examined expenditure past and current, to make a report thereon. That is the only thing as far as I know in respect of the terms of the order of reference about which there is any disagreement at all. I do suggest to the Prime Minister that if he has nothing to hide—and I do not suggest that he has—my objection is well taken. I could tell him some things about government war expenditures that would make him blush; I am dealing them out from time to time to certain members of the government or their deputies, so that they can investigate them, rather than air scandals on the floor of the house. I told that to the Minister of Munitions and Supply—

Mr. HOWE: Has the hon. gentleman ever found one yet that stood up?

Mr. HANSON (York-Sunbury): Yes; ask your colleague about the Dartmouth airport.

Mr. HOWE: I am talking about—

Mr. HANSON (York-Sunbury): Will the minister kindly keep his seat? I have the floor now. I do not mean to be impolite, but I do not like that interruption.

There is one other aspect of this matter. There is not one iota of evidence in the order of reference which has been read here and which I have read many times to suggest that this should be a secret committee; not one iota of evidence to suggest that the British parliament in setting up this select committee, whatever may have been their motives in setting it up, ever intended that it should hold its meetings in secret. But the committee itself decided on certain lines of procedure, and among others was the setting up a number of subcommittees. They went back and got authority from parliament to set up these subcommittees, and certain of these subcommittees, not all, met in secret. That was, I suggest, on their own motion. That is a fair inference from the fact that there is no specific closing of the door in the order of reference itself. I suggest to the house and the country that that is an inference which I am entitled to draw, that on their own motion these subcommittees or some of them met in secret at times. There is no conclusive evidence that they always met in secret.

Mr. MACKENZIE KING: I agree with what my hon. friend says.

Mr. HANSON (York-Sunbury): Then we are not so far apart. But the Prime Minister said that this committee must meet in secret.

Mr. MACKENZIE KING: No, I beg pardon, not "must". I said here to-night that I cabled to the high commissioner to ask him to find out whether the committee had as a matter of fact held its meetings in secret and he cabled back that they had. But I said to-night that I was not binding the committee in any way; it is entirely for its members to determine their own procedure.

Mr. HANSON (York-Sunbury): All right; with that understanding I will proceed. If the high commissioner said that the meetings of the subcommittee were held in secret, I think he is misinformed. But neither the Prime Minister nor myself can settle that question, because whatever evidence we have is in the nature of hearsay. There is no record, and that is the only thing that is evidence to me.

I am as certain of this as of anything I can say, that it was intimated to us on more than one occasion, and on the very last occasion, that the meetings of this committee must be held in secret.

Mr. STIRLING: Hear, hear.

Mr. HANSON (York-Sunbury): My hon. friend here, whose word any hon. member would take, and I am sure the Prime Minister would be one of the first, agrees entirely with me on that, and I am sure my other colleague will corroborate it. We were told that this committee must meet in secret, and I never agreed to that.

Mr. MACKENZIE KING: May I say that I cannot recall the word "must" having been used at any time. I was telling him how the British committee met, and I said that I presumed that for similar reasons the committee here would follow a similar method.

Mr. HANSON (York-Sunbury): It may be true that the Prime Minister on one occasion used language such as that. I have no dictaphone record, and I cannot remember everything said in these long conversations. I have never committed the substance of them to writing. But I am as certain of this as of anything that happened in the course of these negotiations, and I am borne out by my colleague to my left, that the Prime Minister, on one occasion at all events, made this a "must" order. We left the meeting with the clear conviction that this committee must meet in camera, and that at no time would the committee's proceedings be public. Most respectfully but as distinctly and firmly as I can say it, I disagree with that point of view; with this limitation however, that if it develops that information is about to be produced which in the judgment and common sense of the committee would bring aid or comfort to the enemy, then of course the proceedings of the committee with respect to that particular topic should be held in camera. I will add to that a second consideration: where the safety of the state may be involved. I make those two exceptions: when in the view of the committee the information, if divulged, would be a source of comfort to the enemy, and where the safety of the state may be involved. Those are analogous; they are not coterminous. With those two exceptions I suggest to hon. members that this committee should operate with open doors in order that the public may know what is going on. I warn the Prime Minister that if he refuses to heed this word of advice, if this committee is to meet in camera, the public will be entitled to draw any inferences they wish to draw. The public are suspicious now; why make them more suspicious?

The Prime Minister has already made some concession with respect to one aspect of the matter, and I am going to close my remarks with a plea to him. He says the government has nothing to hide. I have never suggested that there was anything to hide, although I think there is ample evidence of gross extravagance in this war effort. I am bound to say, as I have said here before, that to a certain extent this is inevitable in war time. You just cannot get people to spend money in war time as properly as they would spend it in peace time. There are not the safeguards and the surrounding circumstances in war time that would compel them to be more careful. Then there is the question of haste; time won't wait and things have to be done to-day that cannot possibly be put off until to-morrow, or so they will tell you. Of course usually that is ninety-nine per cent wrong, but it all costs money and there has been great waste.

I close with this plea to the Prime Minister, that if he will not allow this committee to report to the House of Commons on past and current expenditures—and I am not going to fight for that principle any longer—I do suggest to him that he should not let it be said that this committee must meet in secret, save and except for the two considerations I have mentioned.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, my name has been brought into the discussion, and perhaps I should say a word. My hon. friend the leader of the opposition (Mr. Hanson) speaks of the Prime Minister (Mr. Mackenzie King) having taken two hours. I may say to him—

Mr. HANSON (York-Sunbury): I am not objecting.

Mr. RALSTON: —that perhaps he was not as long as the Prime Minister, but certainly he was as loud.

Mr. HANSON (York-Sunbury): That is my privilege, is it not?

Mr. RALSTON: Yes. I have experienced a great deal of difficulty in really arriving at what my hon. friend is arguing about. The

Prime Minister has introduced a resolution. My hon. friend has taken a good deal of time telling us about the history of it, but what is it he wishes to know which the resolution does not cover? My name was brought into the discussion with regard to an interview in November. Perhaps I could well leave the matter as my hon. friend left it, when he said I had convinced him that the suggestion he made in that interview would not be in the public interest, but that suggestion was not just as he put it. I know he did not intend to leave a wrong impression, but the suggestion being made then was that matters of policy and matters of administration in the department would all be the subject of discussion with a parliamentary committee.

Mr. HANSON (York-Sunbury): Not policy.

Mr. RALSTON: Matters of policy as well.

Mr. HANSON (York-Sunbury): I deny that.

Mr. RALSTON: The suggestion was that a parliamentary committee should be set up, to be called a defence committee or something of the kind, which would have the right to send for officers of the Department of National Defence at any time—I know the committee would endeavour to meet their convenience as far as possible—and discuss with them matters of policy and administration being carried out in the department at the time.

That was the suggestion. We had a rather busy summer and fall; we were looking forward to a busy winter, and I felt and told my hon. friend and his friends that he would be seriously hampering Canada's war effort if he asked the staff officers of the Department of National Defence to meet and discuss matters of that kind with a committee of this house. I know that from time to time officers have been asked to come and discuss matters with committees, and they have endeavoured to do so; but it meant that these men had to work night as well as day, and that the work of the department was to that extent retarded. I would very much prefer that hon. members, if they would, might discuss these matters with me. I would endeavour to put any suggestions they might have into practice; and if they did discuss these matters with me, I would be glad to put them in touch, as far as I could, with the officers conducting those particular branches of the administration.

But the thing we were talking about at that time was not at all what my hon. friend is talking about now. What we were talking about was the general matter of administration in connection with the defence services; the matter of training; the matter of equipment; the matter of overseas services; the nature of our defences in Canada and of our defence measures overseas. Those were the larger matters which were supposed to be discussed with the officers of my department. I felt that I could ask my hon. friend to agree that those were not matters in connection with which I could afford to spare the officers of the department unless I handed over to a committee the administration of the Department of National Defence, and my hon. friend and his friends did not want me to do that. That was what was discussed by me, and in connection with that matter my hon. friend is quite right when he says he agreed with my point of view, but that really had nothing to do with the motion which is before the house to-night.

I should like to say a word with regard to the motion itself and the presentation which has been made by the Prime Minister. Really I do find it difficult to know in what respect my hon. friend is taking issue with regard to this matter. He says there is no valid reason in the world why the Canadian people should not know the facts in connection with expenditures, and I say to him he is perfectly right, provided the rules which he has laid down are observed; that is, exceptions with regard to the safety of the state and the matter of making information available which might be useful to the enemy. That is perfectly right, and that is provided by this particular resolution.

Mr. HANSON (York-Sunbury): Oh, no, it is not.

Mr. RALSTON: It seems to me that since occupying his present position my hon. friend has acquired some sort of suspicious nature which makes it difficult for him to comprehend the English language. This resolution provides that a committee be appointed to examine the expenditure defrayed out of moneys provided by parliament—not just the current expenditures—for the defence services, and for other services directly connected with the war. That sounds pretty nearly broad enough for anything. The committee is to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein. "Therein" refers to the expenditures which they are to investigate and report upon. I do not know what more my hon. friend wants, unless he wishes some sort of scandal-hunting investigation, which he absolutely denies and repudiates.

The hon. gentleman says there has been gross extravagance. He is fair enough to add that extravagance sometimes does occur when there must be haste in connection with great war projects, and that in war time there is not the same opportunity for consideration as there is in ordinary times. But if there has been gross extravagance, that is exactly what this committee is being set up for, to investigate those expenditures. If there has been gross extravagance, it means that the committee can report on economies which may be effected in those expenditures in order to prevent such extravagance, and I understand that is really what my hon. friend wishes. So what is there at issue?

My hon. friend refers to the question of whether or not the proceedings of the committee shall be kept secret. The Prime Minister has told him that no one has put a ban on it. What has been stated is that the committee will sit; it will have the conduct of its own proceedings, and it will determine whether those proceedings are such that they should be conducted in secret or in public. If my hon. friend has read, as no doubt he has, the reports of the British committee to the House of Commons, he will know perfectly well what they contain. For instance, I remember the case of an aerodrome in Kent. It was alleged that too much was paid for that aerodrome, and criticism was made in that respect. It was reported upon, and the report was laid on the table of the house.

That is the sort of thing on which the committee reports, and the sort of thing about which the public is told in those reports. Therefore I do suggest that my hon. friend is adopting an unduly suspicious attitude with regard to the wording of this resolution, and quite without justification. I should have thought he might give the government some credit for the fact that it prefers to empower the committee to deal with past expenditures, contrary to what was intimated in the editorial read to-night by my leader. It is expressly provided that the committee may examine not only current expenditures, but previous expenditures as well, notwithstanding that the British committee has not that power. But my hon. friend gives no credit for that. He seems to think that is something which should be granted, anyway. He should realize that, as my leader has pointed out, this committee is not in substitution for but is in addition to the public accounts committee. The Prime Minister refers me to the fifth report of the select committee on national expenditure. Here is the sort of report tabled in the house, and made available to the public. This is what is said with regard to "the Scottish repair depot":

> Though with modern engineering knowledge and appliances it would be wrong to say that any site is impossible for the erection of a building, it would be difficult throughout the length and breadth of this country to find any site which was likely to prove more difficult and expensive than the site here selected.

Certainly there is no pulling of punches in that report. Yet that report was published and laid on the table of the house. It was placed on the table under an order of reference in the exact terms of the order of reference before this house to-night. The report on the Scottish report depot continues:

> It seems clear to the subcommittee that at least £250,000 has in the result been wasted. In addition to the £278,000 a further sum of £160,000 has been spent in respect of sheds, drainage and other matters connected with the aerodrome site itself.

There is a report which deals with the wasting of a couple of million dollars. There is no secrecy about it. No one is saying that the public cannot know about it. And that, as I have pointed out, is done under an order of reference such as the one we have before us to-night.

My hon. friend has referred to Sir Robert Borden. He said that Sir Robert Borden granted an order for a commission in 1915. But that was in 1915. The British people were going through the war in 1915. This is another war, that of 1940; and the British House of Commons, having considered those very principles of which my hon. friend has spoken, namely, the safety of the state and the undesirability of giving information to the enemy, decided not for an order in council or a reference such as Sir Robert Borden gave in 1915, but for an order of reference in the terms of the order presented by my leader to-night, an open order of reference, so that matters not only of current but of past expenditures as well might be examined.

As the one who is in charge of the department which has the largest amount of expenditures in connection with our war effort, and who is responsible for those expenditures, I say to my hon. friend that so far as I am concerned he need have no fear that every possible facility will be given the committee to get information regarding any expenditure it may desire. The committee can then decide whether or not it is in the public interest to disclose that information. I say to my hon. friend that I expect the committee will operate in the way in which he himself has indicated he desires it to operate, namely, for the purpose of assisting, for the purpose of helping us to save money, and for the purpose of

preventing waste and extravagance. I say we will welcome any assistance the committee can give in that respect.

I close by saying to you, Mr. Speaker, and to the house that with the public accounts committee as it is set up, and the machinery it affords, plus the provisions of this resolution, I see no reason why the committees of this house should not have all the information it is possible to get, and why the public interest should not be fully satisfied in respect of the examination in the fullest possible way of all the expenditures—and I say that advisedly—"all" the expenditures which have been made by this government and on its behalf in connection with our war effort.

Hon. GROTE STIRLING (Yale): Mr. Speaker, as one of those who accompanied the leader of the opposition (Mr. Hanson) in the conversations which took place with the Prime Minister (Mr. Mackenzie King) and his colleagues, there are one or two observations I should like to make.

In the long statement made by the Prime Minister descriptive of the incidents in the order in which they occurred, so far as I could follow them—and without reference to notes—I should think he was accurate. But where he appeared to me to be endeavouring to lay blame on the leader of the opposition for having altered his ground and for having modified the wording of the reference which was being discussed, I would offer this suggestion, that right up until the last meeting in the Prime Minister's office my impression was that the words contained in the reference were still being discussed. The Prime Minister takes the view that at the meeting of February 19 a set of words was discussed and agreed upon. That is the only difference I have with the Prime Minister in connection with that phase of the matter.

I left that meeting under the impression that the matter was not closed, that he would be having further discussions with his colleagues, and that the leader of the opposition would have further discussions with his colleagues. I did not take it that that set of words had been adopted or agreed upon by both sides.

The Minister of National Defence (Mr. Ralston) has pointed out that he did not advance the matter of policy in the earlier conversations when he was pointing out the difficulties which would attend the constant appearance of his senior officers before the committee.

Mr. RALSTON: My hon. friend has misunderstood what I said. What I said was that my hon. friend's leader had indicated that the matter of policy was not mentioned. I said it was my recollection that it was mentioned, and that that was one of the matters with which it was suggested the committee should deal.

Mr. STIRLING: The Minister of National Defence disagrees with the leader of the opposition in saying that that policy was discussed.

Mr. RALSTON: I am saying that policy was discussed as a subject for discussion by the committee.

Mr. STIRLING: That is not my recollection. Is this not an instance of the difficulty of discussing matters of policy which have been carried on in secret? Let me say this with regard to the whole matter connected with the committee: I have never been entirely favourable to the idea of such a committee, and I should like to give my reasons. My reasons are that the work of the committee would be seriously circumscribed from the very beginning. It would be circumscribed because, by the wording of the reference anything relating to government policy is ruled out. In the second place, the government's conception of what should be secret is what will rule.

For those two reasons it seems to me doubtful whether real good, for the sake of Canada's war effort, will develop from the work of the committee. It is quite true that in the discussions the leader of the opposition had with his colleagues I put forward my views. They are but mine. I am convinced, as time goes on, that as soon as you introduce the element of secrecy into these matters you raise difficulties which can hardly be overcome. There are to be twenty-four members of this committee, eighteen of whom are supporters of the government and six who are members of the opposition parties. If these discussions are to have any usefulness, matters which should be kept secret will have to be brought before the committee. We shall then have twenty-four different ideas as to what constitutes secrecy. We shall have twenty-four individuals who, after all, are human. These hon. gentlemen will have to tie their tongues in the conversations which they may have with friends, and in the speeches which they may make when matters in connection with the war are raised. When suggestions are made by those in opposition which an hon. member feels should not be made, an hon. member will have to remember whether a certain piece of information which he desires to use has been received by him in secret. To my mind that will be very hampering.

Mr. RALSTON: Is it not true that any public servant, any public official, any staff officer or any one else always must remember whether or not a particular matter is something which should not be disclosed? Further than that, the proceedings of this committee will be a matter of record and there can be no misunderstanding as to what takes place there.

Mr. STIRLING: My reply to the Minister of National Defence is that a member of this house is elected to represent a certain set of people. Those people can rightly come to the member to discuss such matters. If they should go to the higher officials of a department, those men have a good reason for not going into matters which should not be divulged.

Mr. RALSTON: I am talking about meeting a man on the street.

Mr. STIRLING: So am I. To my mind this will be circumscribing the work of the committee and it will make it extremely difficult to carry on the work to a point of usefulness.

In connection with the discussions which took place, the Prime Minister gave his recollection of what had happened, and the leader of the opposition gave his. There was some small difference of opinion as to whether this was discussed or that was discussed. The right hon. gentleman has referred to the question of secrecy. I left that meeting with a clear understanding that even though the word "must" may not have been used, it was the intention of the government that the meetings of this committee should be secret.

Mr. MACKENZIE KING: Did I not refer to a telegram which I had sent to the high commissioner? I repeated the telegram and the reply to my hon. friend. Perhaps he would not mind my reading it now. The telegram to the high commissioner was dated February 18 and it reads:

Please advise at earliest possible moment whether proceedings of select committee on national expenditure of House of Commons are conducted in camera.

The reply was:

Proceedings of select committee on national expenditure are conducted in camera.

That is what I gave to my hon. friend and I did not mean to convey anything more than that.

Mr. STIRLING: There is a question of a difference of recollection. My impression is that on the occasion when secrecy was referred to, the right hon. gentleman said that he would cable, and on the next occasion that we met he showed us the answer. My memory may be at fault, but that is what it is.

Mr. MACKENZIE KING: I think that is right. May I say that before the leader of the opposition had spoken at all, I was careful to say that while this was true with regard to the proceedings of the British committee, I was not placing any restrictions upon the committee here. I was leaving it to its members to settle matters for themselves.

Mr. STIRLING: I think I have little to add to what I have said. Our methods in the conduct of government in Canada are similar to those which obtain in the United Kingdom, but a set of circumstances with which we may have to deal are quite likely to be entirely different from a set of circumstances facing them. It has always been my habit to look upon their methods of government with considerable interest, but in no sense have I considered them as a necessary guide in what we should do. I think that is the situation with regard to this matter. Canada has developed her own methods of government, and in my opinion has done so admirably. We can draw a lesson from what they do in the United Kingdom, but I certainly am not one who is ready to accept what they do there as being applicable here in all cases.

Mr. J. T. THORSON (Selkirk): Mr. Speaker, it is with considerable diffidence that I take part in this debate because I am one of those mentioned as being a possible member of the proposed committee.

Mr. MacNICOL: Is the hon. member at liberty to take part in the debate?

Mr. THORSON: I think so because I do not propose to discuss anything that will take place in the committee. What I propose to discuss is the method of approach to the subject matter of the inquiry and my opinion as to the manner in which the inquiry ought to be conducted. I do not think there is anything to prevent my taking part in this debate although, as I said a moment ago, I do so with some diffidence.

The Prime Minister (Mr. Mackenzie King) has indicated that the reference to this committee is considerably larger than the corresponding reference to the committee at Westminster. The committee set up in London has been restricted to the investigation of current expenditures, but the word "current" does not appear in the present reference to this committee. I assume that there is an essential difference between the public accounts committee and the special committee

which is proposed to be set up by this resolution. The public accounts committee is in the nature of a postmortem to determine what has happened and the causes of that happening. This committee has a much wider function to perform. It may look into past expenditures, but the purpose of looking into such expenditures would be to eliminate waste and extravagance in present expenditures.

May I say to the hon. member for Yale (Mr. Stirling) who has just spoken, that I would be the last person in this house to say that we in Canada should follow automatically what is done in the British house. I think we all agree with him in that statement. I suggest, however, that the British parliament is an excellent model to follow in the present case. The British House of Commons set up a committee during the first great war to investigate current expenditures with a view to avoiding waste and extravagance. Immediately upon the outbreak of the present war, a similar committee was set up in London. I think that we in this country might well follow the lead of Great Britain, not only in the present war but in the last war. Both committees, the committee of the great war and the committee of the present war, accomplished excellent results and saved the people of Great Britain, I think it may safely be said, millions of pounds by the close scrutiny which they gave to current expenditures with the object of effecting economies and avoiding extravagance.

I said a moment ago that the model of the British committee was an excellent one to follow, and I am strongly of that opinion in spite of the fact that there may be differences between our system of government and theirs, although such differences are really more on the surface than in reality. The British committee, both in the present war and in the last one, sat always in camera. It has made, during the present war, fourteen reports to the British House of Commons. It has made a large number of recommendations, some to the government itself and some to individual departments of the government. Most of these recommendations were accepted. Some were not accepted; some were rejected. But the committee made its recommendations after careful inquiry and with a definite purpose to find out the real facts. I submit to every member of this house that a committee sitting in camera can conduct a more thorough and more careful inquiry than can any public accounts committee, where one sees on both sides persons making speeches for the purpose of publicity. If a committee sits in camera, and if the members of that committee are properly seized of their responsibilities, they will be concerned with ascertaining the real facts and will not be in the least concerned with making speeches or attracting publicity to their utterances.

The British committee resolved itself into several subcommittees. Each subcommittee was charged with specific and definite responsibilities. The chairmen of these subcommittees, together with the chairman of the committee, constituted a coordinating committee which guided and controlled the several activities of the subcommittees. The subcommittees worked collaterally and at the same time, according to the rules that each laid down for the conduct of its inquiry. The subcommittees listened to witnesses, visited plants, visited public works, visited military sites, conducted such inquiries as they thought were advisable for the purpose of discharging the responsibilities that were cast upon them, and periodically reported their findings back to the general committee, and the committee made its reports from time to time to the house.

The British committee made, I think, a fair and thorough inquiry with regard to all the matters that were brought to its attention. Its investigations of officials were brief and to the point. The members were actuated by the desire to find out the real facts and were not concerned with publicity for any of the individual members of the committee. If the British committee could perform its functions in the admirable manner in which it has performed them then I resent the suggestion that Canadian members of parliament cannot do likewise. I am convinced that if members of the British house can discharge the very heavy and onerous responsibilities that have been cast upon them, then members of the Canadian House of Commons, whether they are on the government side of the house or the opposition, can equally discharge the equally difficult and onerous responsibilities that are placed upon them. I know that this committee can serve a useful public purpose.

We are asking the Canadian people to give to Canada's war effort all that they can spare out of their savings. I think it is our duty as members of parliament to assure the Canadian people that every possible safeguard is being taken to make certain that every dollar contributed by them shall go as far as possible in our war effort.

I believe that every member of this house is committed to an all-out war effort on the part of Canada. We want the support of every Canadian in this country, and I think we owe it to Canadians throughout Canada that they should be certain, so far as it is within our power as members of parliament to make it so, that every possible economy shall be put into effect and every possible safeguard taken against extravagance in expenditures.

That, I believe, can be done by a thorough and careful inquiry without regard to publicity. We will not be concerned in the committee as to what the public thinks; we will be concerned with the knowledge within ourselves, as members of the committee, that we are doing an honest and thorough job of investigation. That will be the important thing, and I think that in that regard the committee might well enlist the support of every member of the house. The British committee did that. The British committee addressed a circular letter to every member of the House of Commons asking the members to indicate the lines of inquiry which they thought the committee should follow and the various matters which, in the opinion of the members, should be brought to the attention of the committee. That might be done.

Then, too, I have no doubt that when the committee is set up, suggestions of one kind and another, from one end of Canada to the other, will come to the committee, and these suggestions will be explored and investigated. They will be sorted out and sent to this or that subcommittee for careful investigation and exploration, and I think, if we as members of the House of Commons approach this very difficult and onerous task with a full appreciation of the great responsibility that is cast upon us, we shall be performing a truly national and patriotic service. Every member of this house who is named on this committee is a Canadian, concerned with the Canadian war effort and with its success, and I believe I may safely pledge in their name every member of this committee to an honest, fair and impartial inquiry into all the matters that are referred to the committee.

The committee has power to make reports from time to time to the house. It is not circumscribed in its other activities. It may from time to time report informally to the head of the department concerned or to the Prime Minister with a view to bringing about economies, with a view to eliminating waste, with a view to the avoidance of extravagance. Not the least useful function of this committee will be its very existence and the knowledge on the part of the spending authorities in the state that this committee is in existence and will be supervising and considering and inquiring into their expenditures. That alone will be worth the establishment of the committee.

There is nothing in the present resolution as to the powers of the committee to adjourn from place to place, nor is there anything in the resolution to empower the committee to sit during a recess of the house, nor is there anything to empower subcommittees of the general committee to have the powers of the general committee, but all of these matters can be dealt with as the necessity for them arises.

I will close with this remark, Mr. Speaker, that if we approach this committee with the same attitude of mind that actuated the British committee, I see no reason why we should not serve a very useful purpose; and if members of the British House of Commons can discharge their responsibilities in a manner becoming to the best traditions of the British house, I see no reason why members of the Canadian House of Commons should not do likewise.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, the hour is getting late, and I think the subject has been very thoroughly canvassed. Whether or not the discussion that has taken place will help the work of the committee, I am not quite so sure. Perhaps it was as well that these details and the past should have been gone into so thoroughly.

I have been very much interested for many months in the setting-up of a committee of this type. I had the privilege of being present at the two conferences which were held before the house adjourned in December. They were quite harmonious and I think everyone present understood that the matter had been settled.

The Prime Minister stated in the house on December 3, as reported at page 633 of *Hansard:*

> I wish to say to him—

He was speaking of the leader of the opposition (Mr. Hanson).

> —and to the house that no approach to the subject could have been more helpful or could have been better in every respect than that which he and his colleagues made in confidence with the government in this matter.

Unfortunately the problem has not been worked out since that time with so much unanimity, but I suggest to the house that we forget all about that and make a fresh start. After all, we all make mistakes and we all say foolish things. Therefore let us forget the past and let this new committee get on with its job. Let it start with the blessing of this house. It can be of such great importance and of such great help, subject to one proviso, namely, that every man on this committee goes into its very first meeting and into every other meeting, leaving his politics outside. If that is not done—and the Prime Minister said words to the same effect last December—it is impossible for this committee to succeed. But if partisan politics are left outside, I am convinced that this

committee will do a great work for Canada and will greatly strengthen the war effort of our nation.

Here we are facing the fight of our history, with young Canadians by the thousand exposed to sudden death this very night, with thousands of wives and mothers at home wondering what to-morrow may bring for their loved ones, with thousands of children in Canada wondering what is going to happen to their daddy. Surely at such a time this house can forget politics on this one question and the members of this committee can go into its meetings with their minds made up that they will do their very best not only to cut down expenditures and find where money is being wasted but also to suggest ways in which our war effort can be improved. That, as the hon. member for Selkirk (Mr. Thorson) has so well said, has been the result in the British House of Commons. I know the private members of this house well enough to know that the same thing can be done here.

As I have said before, I hold that the private members are the back-bone of this parliament. They are the men who really count in this house, with all due deference to the ministers. This is the chance for the private members of this House of Commons to show what they are made of. I am certain that they will do that job and do it well. I am named on the committee and, like the others, I intend to do my part to the very best of my ability and as a Canadian first, last and all the time. I would ask the hon. members not on the committee to be behind us in this effort; give us a chance to prove to the Canadian people that the Canadian parliament can really get results without becoming involved in partisan political quarrels.

Mr. M. J. COLDWELL (Rosetown-Biggar): The hon. member (Mr. Green), who has just taken his seat, has expressed in much better terms than I could have found some of the thoughts that have been in my mind this evening. It is a pity that in the setting up of this committee we have had a long discussion based upon a difference in recollection of what took place at a certain conference. We know nothing of that conference, but we welcome the appointment of this committee.

It seemed to me it was a very simple matter. The resolution is short and to the point. It says that the committee is appointed—

. . . to examine the expenditure defrayed out of moneys provided by parliament for the defence services, and for other services directly connected with the war, and to report . . .

And so on. I am hoping that this committee will sit in the spirit in which the hon. member for Vancouver South hoped it would. After all, the time is so serious that there should be no hope in anyone's mind that any scandal or anything of that sort may exist to be uncovered. In fact, we all trust that nothing of that sort will come out of the deliberations of this committee. Indeed, if I may say so, a few scandals out of our war effort would jeopardize democracy in our own country almost as much as if we sustained some reverses overseas.

I know that the British committee has done a splendid job. I am not to be a member of this committee; only one member of our group is a member of it, but I hope that it may have the success the British committee has had.

With regard to the inquiry into past expenditures, if it is felt necessary it seems to me the public accounts committee can sit also, to examine any other phases of our expenditures that need investigation. I regret that it has not been the custom of this parliament to have the public accounts committee sit at each session and for a considerable number of meetings. I believe that we would gain much if that were done.

I do not intend to speak at any length. All I want to do is to place our position before the house. We agree that this committee ought to be set up; we agree that the powers given to it ought to be extensive enough that it can investigate all the expenditures of moneys appropriated by this parliament for our war effort, and we agree that from time to time reports should be made to this house and to the Canadian people. I can quite understand that there may be some matters which might have to be withheld for the public interest in relation to the conduct of the war, but I am hoping that they will be very few and will not involve any large expenditures.

So, Mr. Speaker, we are hoping that the committee when appointed will sit regularly, and that we shall not have anything in the nature of a repetition of the kind of wrangle that we had when the Bren gun matter was sent to the public accounts committee. Perhaps in some minds in this house there is the fear that we might again find hon. members going into that committee all worked up and prepared to act as counsel for one side or the other. I hope no hon. member will go into the committee as counsel, as it were, for any party or person. I do not think they will. As I said, the time is serious; this is not a scandal hunt at all, and I trust the committee will fulfil all that we expect of it.

Mr. T. L. CHURCH (Broadview): The war was only a few days old when I asked for the appointment of a similar committee to the one set out in the text of this resolution, and to consider Canada's war effort in general. In my opinion the resolution does not go far enough; it is just a postmortem and an inquest and a grand assize held into only one feature of the war effort that is gone and gone forever beyond recall, namely, Canada being too late all along the line.

The text of the resolution does not provide for what the people of this country are demanding. I do not speak in a partisan sense, far from it, because I know no politics in this house except the effective conduct of the war. Those who want to conduct politics can do so, but in the last war and in this war I know no politics.

For over one hundred years there was civil war in England to get control of expenditures. The House of Commons here, since this war started, has been the forgotten agency in our constitutional system of government. We in this house have been the forgotten men; the private member has no rights; he can object to nothing, because these expenditures are made under the War Measures Act. Many outside boards have been created which were never in existence in the great war, with authority over the head body, the House of Commons of Canada; we never had them when we had our five allies. We have no control over the expenditure or over what is being done.

The text of the resolution does not go far enough. It is just a resolution to appoint a committee. The public accounts committee has always acted, in matters like this, in all the wars in England and the dominions, but here the public accounts committee has never been asked to sit. The money has been spent and we have an auditor general. It is spent for defence services; but what are defence services; what are foreign services; what are external services? No one knows.

Some hon. MEMBERS: Eleven o'clock.

Mr. CHURCH: I can conclude in five minutes. I do not want to prevent the adoption of the motion.

Mr. SPEAKER: Is it the sense of the house that the debate shall continue?

Some hon. MEMBERS: No.

Mr. CHURCH: Then 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.

[Mr. Coldwell.]

Wednesday, March 5, 1941.

The house met at three o'clock.

PRIVILEGE—MRS. NIELSEN

REFERENCE TO CERTAIN STATEMENTS MADE IN HOUSE OF COMMONS ON MARCH 4

On the orders of the day:

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, I rise to a question of privilege. I regret very much that yesterday afternoon I was required to leave the chamber because of a previous engagement and therefore was unable at that time to reply here to those hon. members who spoke after I had left. With your permission I wish to make a statement in that connection now.

Yesterday the Minister of Justice (Mr. Lapointe) insinuated that I had some connection with the communist party. There were subtle insinuations regarding the company I had kept, which I think the majority of people will agree proves absolutely nothing. I have spoken many times, on many platforms, together with people of various political and religious views. In my view the fact that these subtle suggestions have been advanced proves the contention I have put forward, that those who oppose this government are branded, if possible, by any means. It is a case, I think, of giving a dog a bad name. Others have been branded before this; even the Minister of Justice himself has complained in this house that he has been so treated. A few years ago the Prime Minister (Mr. Mackenzie King) went to Germany, where he had conversations with Hitler and was lauded by the German press. But how indignant he would be if I or anyone else were to insinuate that he was a fascist.

I am in this House of Commons as a free and independent member, not belonging to any political party. The people of my constituency sent me here, and they drew up a programme for my instruction. I think it is only fair both to them and to myself that this house should know the programme which was outlined for my guidance here, so that hon. members may be able to see how consistently I have advocated these things.

Some hon. MEMBERS: Order.

Mr. SPEAKER: May I call the attention of the hon. member to the fact that she has risen on a question of privilege in order to deny or reply to some statements made yesterday. I do not think she should now read the platform on which she was sent to this house but should deal only with what was said here yesterday.

Mrs. NIELSEN: If that is your ruling, Mr. Speaker, I shall be forced to accept it; but really I see no reason why I should not be able to place that programme on *Hansard* in order that hon. members may read it. I think it very necessary that I should do so, because I would like hon. members of this house, after hearing this programme, to tell me if there is anything in it which advocates communism. Have I your permission to do so?

Mr. SPEAKER: I have already ruled that it would not be proper to read the platform on which the hon. member was elected to this house, but that she should express herself as to the matter of privilege with which she has risen to deal, in regard to what was said yesterday.

Mrs. NIELSEN: Very well, Mr. Speaker; I have to bow to your ruling. I was not able yesterday, for the reason I have stated, to reply to the question asked by the hon. member for Selkirk (Mr. Thorson), who asked me to declare my attitude towards communism. This should not be difficult. As long as we have real democracy in Canada I feel that there will be no danger of communism. It is when democracy ceases to function that communism grows. That has been apparent in many instances and that is why I am fighting to-day to prevent any restrictions being placed upon our democracy in Canada. I do not wish to see conditions in Canada such as these—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I am sorry, but I have to call the attention of the hon. member to the fact—

Mrs. NIELSEN: Mr. Speaker, I am only answering certain charges which were made against me yesterday, as I believe I have a right to do.

Mr. SPEAKER: Order. May I ask the hon. member to resume her seat.

Mrs. NIELSEN: I am sorry, Mr. Speaker; I cannot hear you.

Mr. SPEAKER: I would ask the hon. member to resume her seat. I understood the hon. member to rise to a question of privilege, with regard to some statements which were made in this house yesterday. The hon. member is entirely within her province in dealing with those matters which were referred to yesterday, but she is not entitled to enter into an argument now based upon the stand which she has already taken. Therefore she must address herself simply to the utterances made yesterday, as being something she wishes to deny or reply to on a question of privilege.

Mrs. NIELSEN: That is what I am doing, Mr. Speaker, to the best of my ability. Charges were made yesterday that I was keeping company with people with whom it was not wise for me to keep company. It is very necessary in reference to this question that I read to the house a letter from my constituency, dated February 25, which I received only yesterday.

Some hon. MEMBERS: Order, order.

Mrs. NIELSEN: It comes from a person in my constituency, and says—

Mr. SPEAKER: Order. Some hon. members have taken objection to the reading of a letter addressed to the hon. member from a constituent. If it has a bearing on what was said yesterday, in justification of the hon. member's attitude, she is entitled to read it.

Mrs. NIELSEN: I think it has a bearing on what was said yesterday. The letter says:

> I had a long confidential chat with our local R.C.M.P. yesterday. He is surprised at the attitude you take regarding the war regulations. He thinks you are very foolish to proceed as you are doing, and said "Can't she see that that same law will put her behind the wires, whether she believes it or not, and believe me she'll be there before long if she keeps up the pace she's hitting, for they'll frame up something somehow, either under the fifth column or as agitations against the war effort, or disloyalty."
>
> We have a young police officer here relieving while our regular man is on holidays, and he stated that while in training they were all instructed to keep their eyes and ears open for anything on Nielsen, watch the papers and be on the alert always, because they were sure she would be interned before long.

An hon. MEMBER: Who signed that?

Mrs. NIELSEN: There is no need for me to give the name of the man who signed that letter.

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: Oh, no.

Mrs. NIELSEN: There is no need for me to give the name of the man who signed it. For one thing it would jeopardize the position of a young police officer, and it also may lead to discrimination against the man who wrote it. If the letter is required by the committee which is set up to go into the defence of Canada regulations, I will give it to them.

Mr. LAPOINTE (Quebec East): She is a law unto herself.

Mr. MACKENZIE KING: With regard to the reading of communications, I think my hon. friend must know it is the rule that one is not entitled to read from communications unless prepared to place them on the table of the house.

Mrs. NIELSEN: Very well; I shall place it on the table of the house. I feel myself that it is only right that the members of this house should know that these things are going on; and if this Canadian version of the Gestapo continues I think this government will have to answer to the Canadian people before long. In the past history of our country—

Some hon. MEMBERS: Order.

Mr. THORSON: I should like to speak to the question of privilege.

Mr. HANSON (York-Sunbury): She is not through yet.

Some hon. MEMBERS: Order.

Mr. THORSON: On the point of privilege raised by the hon. member I would say—

Mr. HANSON (York-Sunbury): She is not through yet.

Mr. LAPOINTE (Quebec East): Give her a chance. Go ahead; tell us all about it.

Mr. MACKENZIE KING: I should think the last thing hon. members would wish would be to have the impression go out that in any way the House of Commons had sought to deprive the hon. member of the opportunity of making the fullest possible statement with respect to any allegations she may feel were made against her. For that reason I would think that perhaps as a matter of agreement on the part of hon. members, the house on this occasion might allow her to say whatever she wishes to say on this occasion.

Mr. HANSON (York-Sunbury): Mr. Speaker, if I may be permitted a word, I have watched the latter part of this incident with a great deal of interest. It may be that the lady has not kept within the rules. I think most of us will agree on that. But I do suggest that as a matter of expediency and propriety she should be allowed to make her statement so that the public will know what she has to say. The cries of "order, order" on the part of private members might be well left in the hands of your honour.

Mr. THORSON: Mr. Speaker, in support of the suggestion made by the leader of the opposition, and in view of the fact that my name has been referred to—

Mr. HANSON (York-Sunbury): Has it?

Mr. THORSON: —may I say that I stated yesterday—

Some hon. MEMBERS: Order.

Mr. THORSON: Just a minute.

[Mr. Mackenzie King.]

Mr. HANSON (York-Sunbury): The lady has not finished yet.

Mr. THORSON: I am supporting the right of the hon. member to speak.

Mr. SPEAKER: Order.

An hon. MEMBER: Sit down.

Mr. SPEAKER: There is no motion before the house and therefore no subject for debate. In view of the fact that the house seemed to agree that the hon. member should be allowed to make her statement I of course accede to the intention of the house. I take it that that is the sense of the house.

Mrs. NIELSEN: Mr. Speaker, I intend to take only a few minutes—

Mr. LECLERC: If it requires the unanimous consent of the house, then for one I will object to hearing any more of the kind of communist talk that we heard yesterday from the hon. member.

Mr. FRASER (Northumberland, Ont.): Following the hon. member—

Mr. SPEAKER: Order. I do not think unanimous consent of the house is required. What is required is that the sense of the house shall be ascertained. My interpretation is that the house wishes the hon. member to continue her statement, and therefore I would ask her to do so now.

Mrs. NIELSEN: Mr. Speaker, I would say that if this Canadian version of the Gestapo continues to operate in Canada—

Some hon. MEMBERS: Order.

Mrs. NIELSEN: —and if material is collected, as it is apparently being collected and brought up, some time this government will have to answer to the Canadian people.

I shall continue to do the things which I think are correct and I could do no better than to quote with equal sincerity the words of the Minister of Justice (Mr. Lapointe) himself, who is reported in *Hansard* of yesterday to have said:

I will do what I think is right, whatever may be the consequences.

And again:

Neither inducement, blackmail nor threats will have any influence.

Mr. SPEAKER: I must call the hon. member's attention to the fact that the letter which she has tabled does not contain the name of the writer.

Mrs. NIELSEN: I have the rest of the letter in my office. It will be brought down and tabled immediately.

HOUSE OF COMMONS

CLASSIFICATION OF CERTAIN POSITIONS FOR PERMANENT APPOINTMENTS

Mr. SPEAKER: I have the honour to lay on the table of the house a report of the civil service commission classifying certain positions to which employees on the temporary staff of the House of Commons are to be appointed on a permanent basis.

PUBLIC ACCOUNTS

REFERENCE OF REPORT OF AUDITOR GENERAL TO STANDING COMMITTEE

Hon. J. L. ILSLEY (Minister of Finance) moved:

That the auditor general's report for the fiscal year ending March 31, 1940, be referred to the standing committee on public accounts.

Motion agreed to.

THE WAR

SEVERANCE OF DIPLOMATIC RELATIONS WITH BULGARIA AND ROUMANIA—PROSCRIBED TERRITORIES

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to make a brief statement to the house on the present situation in the Balkans, as it affects nationals and citizens of certain of those countries.

Acting upon instructions from the government of the United Kingdom, His Majesty's minister at Sofia has broken off diplomatic relations with Bulgaria to-day. There is no Canadian diplomatic mission in Bulgaria and there are no Bulgarian diplomatic or consular representatives in this country. There was, therefore, no occasion for any action by the Canadian government with regard to the severance of diplomatic relations.

The breaking off of diplomatic relations does not necessarily bring about a state of war. On the other hand, in breaking off diplomatic relations the United Kingdom felt it could not overlook the action of the Bulgarian government in aligning Bulgaria with the axis powers and in permitting German forces to enter Bulgaria and to use that country as a base from which to conduct hostile operations.

Action has been taken and is being taken by the Canadian government to protect Canadian interests during the period that may intervene between the breaking off of diplomatic relations and actual hostilities should such take place. Action has already been taken by order in council making Bulgaria proscribed territory which means that all transactions with Bulgaria will be subjected to the regime of the trading with the enemy regulations. In this manner it is made unlawful to conduct any transactions involving, directly or indirectly, economic aid to the enemy. Precautionary action is being undertaken to prevent any transactions that might result in assistance to the enemy.

Police action that is necessary to preserve the security of the state is, of course, being undertaken. While this is so, Bulgarian nationals and persons of Bulgarian descent will not be disturbed so long as they show by their conduct that they are rendering loyal obedience to the laws and institutions of this country.

The action taken to make Bulgaria proscribed territory extends also to Hungary. Hungary is a country with which diplomatic relations are maintained by the United Kingdom. On the other hand it is not possible entirely to overlook the fact that Hungary is contiguous to territory under German domination, and Hungary's alignment with the axis and the according by Hungary to the enemy of privileges which are not consistent with neutrality. Hungary maintains a consulate general in Montreal and a consulate in Winnipeg. The action taken in making Hungary proscribed territory has subjected transactions with that country to the regime of the trading with the enemy regulations and makes it possible to prevent transactions that might be of advantage to the enemy. The measures taken are precautionary and consistent with the continuation of existing regulations.

Diplomatic relations between the United Kingdom and Roumania were broken off on the 10th of February of this year. Subsequently the consul general of Roumania in Canada received instructions from his government to close the consulate general in Montreal, and this action was taken on the 15th February of this year. The consul general and his staff have withdrawn. Roumania was made proscribed territory and other precautionary measures were undertaken similar to those which are being adopted with regard to Bulgaria. In the case of Roumanian nationals, and persons of Roumanian descent, the same position is maintained as in the case of Bulgarians. They will not be disturbed so long as their conduct conforms to our laws, and is consistent with the allegiance which, under the laws of Canada, is due from all residents, irrespective of their national status or racial origin.

Hon. R. B. HANSON (Leader of the Opposition): In his statement with respect to Bulgaria the Prime Minister (Mr. Mackenzie King) said that steps had been taken to protect Canadian interests in that country. I should like to know what steps have been taken to protect the lives of Canadian nationals who may be there. There is

at least one Canadian in that country, a lady from New Brunswick who, for a number of years, has been residing at the Imperial hotel in Sofia. She is about seventy years of age and her sister has communicated with me and asked me to do what I could through the government to safeguard her life. I wrote to the acting Under-Secretary of State and asked him if he would be good enough to cable or do what he could, but I have had no reply. Is the Prime Minister conversant with what action might have been taken?

Mr. MACKENZIE KING: I am sorry that I cannot answer my hon. friend's question as to what action has been taken, although I can say a word about what action in all probability has been taken. I shall make certain as to what has been done and give my hon. friend an answer later. I would assume that the communication would be sent immediately to the British ambassador or minister and that the British embassy or legation would give all assistance possible in protecting any British citizen who might be in Bulgaria and with respect to whom representations had been made.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PERMANENT FORCES—OFFICERS' PAY AND ALLOWANCES

Mr. ROSS (Souris):

What additional pay and allowances, if any, are officers of the permanent force in Canada, according to rank, now receiving which they did not receive at the declaration of war?

Mr. RALSTON: The following table shows the addition in pay and allowances to which officers of the permanent force in Canada are entitled, as compared with those to which they were entitled at the declaration of war:—

Rank or Appointment	Increase per diem	
	Single	Married
Staff Officers		
Chief of the General Staff	$2,000 per annum	
Adjutant-General, Quartermaster General, Master-General of the Ordnance. (Master-General of the Ordnance actually receiving no pay and allowances..	$0.45	2.45
District Officer Commanding and Brigadier..	1.40	2.00
Director..	2.10	2.90
Assistant Adjutant and Quarter-master General and General Staff Officer 1st Grade..	2.20	3.00
Regimental Officers		
Colonel..	0.60	0.20
Lieutenant-Colonel.	0.60	1.40
Major..	0.15	0.55
Captain..	0.30	1.05
Lieutenant..	0.90	1.60
Lieutenant, from Ranks..	0.50	1.20
2nd Lieutenant..	1.15	1.85

NOTE: (a) Figures underlined denote decrease.

(b) The above figures include dependents' and subsistence allowance but do not include children's allowance of $12 per month up to a maximum of two children. Dependents' allowance and children's allowance are not paid on behalf of the appointment of the Chief of the General Staff. A consolidated rate of $10,000 per annum has been authorized for that appointment for the duration of the war. From 1933 to 1935 Lieut.-General A. G. L. MacNaughton received $10,000 per annum as Chief of Staff.

BACON BOARD

Mr. SENN:

1. Did the bacon board deduct an amount of money from the proceeds of pork products shipped to Great Britain in the years 1939 and 1940?
2. If so, what amount was deducted per hundredweight?
3. What was the total amount so collected?
4. What disposition has been made of this fund?
5. Is any percentage of this fund still held by the bacon board?
6. If so, how much?

Mr. GARDINER:

1. Yes.
2. 76·65c per 100 pounds.
3. $2,258,760.63

Refund from packers on product shipped prior to the date the board commenced operations..	$ 300,575.60
Money accumulated on product shipped by the board..	1,958,185.03
	$2,258,760.63

4. U.S. freight and exchange..	$ 29,559.36
Storage charges..	640,065.58
British ministry of food 5 shilling rebate on 22,400,000 pounds (estimated)..	221,500.00
British ministry of food deductions for shrink loss, salt bags and adjustment account..	24,886.30

Storage charges on cured product..	18,592.60
Miscellaneous charges.. ..	4,334.43
Difference in the amount received from the British ministry of food for bacon purchased by the board during the period October 14 to November 16, 1940, for shipment on and after November 1, 1940, under the new contract and the amount paid for such bacon by the board pending completion of the new agreement	923,663.14
Total..	$1,862,821.41

5. Yes.

6. $395,939.22 of the money accumulated under the 1939-1940 contract.

NATIONAL WAR SERVICES—MISS HELEN DOHERTY

Mr. CARDIFF:

1. Is Miss Helen Doherty employed in the Department of National War Services?
2. If so, in what capacity?
3. When was she appointed?
4. What salary or other remuneration is paid to her?
5. Was she assigned to this position by the civil service commission?
6. If so, on what date was the assignment made?
7. If no assignment was made by the civil service commission, by whom was the appointment made and under what authority?
8. Was any request made to the civil service commission for the appointment of Miss Doherty to such position?
9. If so, what action did the civil service commission take thereon?

Mr. GARDINER:

1. The department has had the benefit of the services of Miss Helen Doherty since September 12, 1940, for which no payment has been made.

2. General assistant.

3, 4, 5, 6, 7, 8 and 9. See number 1.

JOINT SWINE COMMITTEE

Mr. CARDIFF:

1. What are the names, addresses and occupations of the members of the joint swine committee as presently constituted?
2. By whom were they appointed?

Mr. GARDINER:

1 and 2.

Particulars concerning Members of Joint Swine Committee

Name—Occupation	Address—By whom appointed
W. A. Amos—Farmer	Palmerston, Ont.—Canadian Council of Agriculture.
F. M. Baker—Western representative, Industrial & Development Council of Canadian Meat Packers	501 Kensington Bldg., Winnipeg, Man.—Industrial & Development Council of Canadian Meat Packers.
J. D. Brien—Farmer, secretary, Eastern Canada Live Stock Union	Ridgetown, Ont.—Eastern Canada Live Stock Union.
C. M. Learmonth—Sup't. Institutional Farms, Sask. Dep't. Public Works, secretary, Western Canada Live Stock Union	Regina, Sask.—Western Canada Live Stock Union.
A. Morin—Deputy Minister Quebec Dep't. of Agriculture	Quebec, P.Q.—Quebec Department of Agriculture.
R. McPhail—Managing sec'y., Canadian Live Stock Sales Agency	Room 313, Union Stock Yards, St. Boniface, Man.—Canadian Council of Agriculture.
S. E. Todd—Sec'y. Industrial & Development Council of Canadian Meat Packers	200 Bay street, Toronto, Ont.—Industrial & Development Council of Canadian Meat Packers.

Particulars concerning Members of Joint Swine Committee—*Concluded*

Name—Occupation	Address—By whom appointed
L. W. Pearsall (Committee Chairman)—Chief, Live Stock and Live Stock Products Div. Marketing Service	Department of Agriculture, Ottawa, Ont.—Deputy Minister of Agriculture.
A. W. Peterson (Committee Secretary)—Chief, Live Stock and Poultry Div. Production Service	Department of Agriculture, Ottawa, Ont.—Deputy Minister of Agriculture.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MOUNTED POLICE—COMPARATIVE INCOME

Mr. WINKLER:

1. In the five-year period, 1933-1937, inclusive, what was the average annual income in Canada of (a) farmers; (b) members of the legal profession; (c) members of the Royal Canadian Mounted Police?
2. In that period, at what age was the youngest member of the Royal Canadian Mounted Police superannuated?
3. At what rate is the abovementioned superannuation?
4. Have members of the legal profession been admitted to the Royal Canadian Mounted Police in that period?
5. If so, how many?

PURCHASE OF LAND IN RED DEER CONSTITUENCY

Mr. SHAW:

1. How many parcels of land were purchased by the government in the federal constituency of Red Deer, Alberta, between September 1, 1939, and February 28, 1941?
2. What is the acreage of each parcel so purchased?
3. From whom was each parcel of land purchased and upon what date or dates were the purchases made?
4. What was the total purchase price of each parcel?
5. Were all purchases made direct from the owner in each case? If not, what agency, agencies or other individuals were involved?

MOTIONS FOR PAPERS

NATIONAL DEFENCE—HITCH-HIKING BY MEN ON LEAVE

Mr. CHURCH:

For a copy of an order issued to the heads of military camps in Canada by the Department of National Defence, or any officer thereof, prohibiting what is known as "hitch-hiking" on the highways, by men on leave, said order to include an order issued at camp Borden to the same effect and a statement as to what has been done by the department to get cheap fares for those on leave from the railways.

TORONTO TRANSPORTATION COMMISSION—CUSTOMS DUTIES ON PARTS FOR CARS

Mr. CHURCH:

For a copy of all applications and replies thereto, in the possession of the Department of Finance, made by the Toronto Transportation Commission, asking exemption from customs duties, by order in council, of new car parts from the United States for the building of fifty new cars. Also a copy of any reports made in this regard by officials of the department.

[Mr. Gardiner.]

RED DEER, ALTA., POST OFFICE

Mr. SHAW:

For a copy of all communications, letters, telegrams, correspondence and other documents exchanged between the Postmaster General, the Post Office Department and any official thereof, and any person, firm or institution, from October 1, 1940, to February 28, 1941, with respect to the service rendered by the post office at Red Deer, Alberta.

RULES OF THE HOUSE

INTERPRETATION OF STANDING ORDER 41 RESPECTING THE TABLING OF LETTERS QUOTED

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I would ask if your honour would kindly take into consideration standing order 41 and give an interpretation particularly of paragraphs 315 and 316 of Beauchesne's Parliamentary Rules and Forms which have a bearing on the tabling of letters. We have had a discussion of this point on previous occasions in the house but I cannot find any definite ruling. I cite paragraph 316 under standing order 41:

> It has been admitted that a document which has been cited ought to be laid upon the table of the house, if it can be done without injury to the public interest. The same rule, however, cannot be held to apply to private letters or memoranda.

The preceding paragraph puts another limitation upon the same matter. Paragraph 315 says:

> A minister of the crown is not at liberty to read or quote from a dispatch or other state paper not before the house, unless he be prepared to lay it upon the table.

It goes on to say:

> This restraint is similar to the rule of evidence in courts of law, which prevent counsel from citing documents which have not been produced in evidence. The principle is so

reasonable that it has not been contested; and when the objection has been made in time, it has been generally acquiesced in.

And now I read the last part of paragraph 316:

On the 18th May, 1865, the attorney general, on being asked by Mr. Ferrard if he would lay upon the table a written statement and a letter to which he had referred on a previous day, in assuming a question relative to the Leeds bankruptcy court, replied that he had made a statement to the house upon his own responsibility, and that the documents he had referred to being private, he could not lay them upon the table. Lord Robert Cecil contended that the papers, having been cited, should be produced; but the Speaker declared that this rule applied to public documents only.

If we could get a ruling on this point, Mr. Speaker, I think it would be helpful.

Mr. SPEAKER: The only objection I have to giving a ruling is that there is nothing before the chair and the Speaker is really not called upon to give advice to hon. members unless the question is brought up in the course of discussion or debate. At the moment I am not in a position to give a ruling, but if the question arises in the course of debate or some proceeding of the house, then of course I would be prepared to give a ruling.

Mr. COLDWELL: I would respectfully submit, Mr. Speaker, that the question did arise a little earlier this afternoon, and I should like to suggest that you take the matter under consideration and give a ruling at some future time.

Mr. SPEAKER: I shall be glad to consider the matter and decide whether I should give a ruling. Hon. members will understand that the Speaker does not give advice. All he does is to judge and interpret the rules of the house in the course of debate or of its proceedings. What has happened to-day is past. We are not on that now. Nevertheless I shall take the remarks of the hon. member into consideration and decide what to do.

Mr. QUELCH: Mr. Speaker, I would point out that the Prime Minister himself stated that it was the rule of the house that the letter had to be tabled. The letter was therefore obtained under false representations.

MINTO-CHIPMAN COAL MINES

REFERENCE TO ARTICLE IN SAINT JOHN TELEGRAPH-JOURNAL ANNOUNCING APPOINTMENT OF COMMISSION OF INQUIRY

On the orders of the day:

Mr. A. J. BROOKS (Royal): Mr. Speaker, I should like to direct a question to the Minister of Labour (Mr. McLarty) based on an article appearing in the Saint John *Telegraph-Journal* of March 3, announcing the appointment of Mr. Justice M. B. Archibald of the Supreme Court of Nova Scotia as a commissioner "to inquire into causes of lack of capacity production in the coal mines in the Minto-Chipman district of New Brunswick." Will the minister make a statement setting out the reasons for the appointment of this commission, and may we have the production of the order in council making the appointment?

Hon. N. A. McLARTY (Minister of Labour): Mr. Speaker, the hon. member for Royal (Mr. Brooks) was kind enough to give me notice of his intention to ask this question. I received it shortly before coming into the house. The statement contained in the paper that he mentions is correct; Mr. Justice Archibald has been appointed. On the other hand I would ask my hon. friend to be kind enough to allow his question to stand as a notice of question to which I will reply to-morrow, because to give the reasons for the appointment might, unless it were carefully done, prejudge the issues. I should like, therefore, to give a prepared statement rather than an impromptu one such as I would have to give to-day.

WAR EXPENDITURES

CONTINUATION OF DEBATE ON MOTION OF PRIME MINISTER FOR APPOINTMENT OF SPECIAL COMMITTEE

The house resumed from Tuesday, March 4, consideration of the motion of Mr. Mackenzie King for the appointment of a committee to examine the expenditure for defence and other war services, and to consider possible economies consistent with government policy.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I should like to say a few words with reference to the text of the resolution of the right hon. the Prime Minister (Mr. Mackenzie King), and first as to the functions and powers of the committee.

What is the object of having a select committee if it is going to have its hands tied behind its back through the failure of the government to give it the power which any committee should have in order to function properly regarding war expenditures, manpower, recruiting, munitions, and overseas policy as to the battle of Britain, the Mediterranean and other theatres of war, and other important matters?

I notice by the explanation which the Prime Minister gave of the resolution last night, that the committee has no power to

go into any question of government policy. So far as this war is concerned the committee will have its hands tied behind its back because it has no power to deal with any question of government policy regarding the war. What is the object, then, of constituting this committee?

My second point is this. The government has decided that it is to be the tutor, custodian and guardian of the committee. The committee is not to be allowed to do anything but what the government allows it to do. The government will decide, so far as its war effort is concerned what information shall be kept secret and what not. No member of this house wants to give the enemy any information that would aid it or hurt the state.

Six months after the Munich agreement, I raised the question of the appointment of such a committee as is now proposed. I brought the question up in this house on March 21, 1939, on a motion to go into supply. On that occasion I raised the question that the people were not being given the facts regarding the disastrous war then approaching. Rearmament was being refused and we were depending on many peace agencies, even when war was in sight, to preserve the freedom we enjoy in democratic countries. At that time some information should have been given the people of Canada as to the real facts and the grave danger of the crisis which then confronted the empire and freedom and civilization. I said on that occasion, quoting the words of the then Prime Minister of Great Britain, the late Right Hon. Mr. Chamberlain, that if the people are not given the facts, if they are to be given only so much as their rulers and the government of the day allow them to know, that people are embarking on a course which will presently lead to war and be fraught with grave consequences for freedom and civilization. That has proved to be correct.

The history of courage has been gloriously rewritten in this war on land, sea and in the air by the enlisted young Canadians and by Canada's man-power contribution, and it should be the function of the House of Commons to back up that effort to the limit. The Prime Minister said the other evening that it is hard to separate defence and external affairs and foreign affairs, because they are all one picture. What he said is wholly correct. Canada wants the whole picture and not part of it.

On the government side of the house there are a number of private members—I have known them for a great many years—also many in the opposition and in the two parties to the left, who have splendid ability. Quite a few are returned men. They have executive capacity, technical knowledge, and skill, and their services would be of great value if they were used as they properly should be at this time to promote war work for the good of Canada.

In my opinion the text of the resolution should be amended to give the committee power to look into the question of why, with the war going into its nineteenth month, everything in Canada is just about as usual. The committee should find out the reason for this, and the effect of it upon our war effort. Canada is not yet awake to the grave danger which confronts her. The gravity is great, but the people do not realize it. This war is going to be a war to the finish; it affects the very existence of Britain and of our empire, and we do not yet know what the fate of Canada will be or to whom this country will belong at the end of this war.

For these reasons, I object to this resolution as not going far enough. A committee of this kind should not be, as the Prime Minister and the Minister of National Defence (Mr. Ralston) suggest—one has only to read to-day's *Hansard* to see what they said—a government committee; it ought to be a committee of the House of Commons, representing not a party but private members of parliament. Burke, in his address to the sheriffs of Bristol in 1777, gave a description of the functions, powers, privileges and duties of a member of parliament. He said that, once elected member for Bristol, he became a member of parliament and ceased to be only a member for the city of Bristol; he became a member of parliament for the whole empire and for Great Britain. That is the principle which should be followed in this house.

If we are to have a committee on the war effort, let it be a real war-time committee, and give the public the whole picture. It should not be restricted to the present time, or to the period since the war started; its scope should refer back as far as the Munich agreement.

The committee should be free to deal with government policies, one of the most important of which relates to man-power. Man-power is going to decide the war. It is all right to talk about mechanization; but if the committee is not to have the right to inquire into public policy on man-power, the raising of an army by the circuitous route through which, under the Mobilization Act, we have to go in order to get an army together; if it cannot go into the subject of conscientious objectors, recruiting methods, soldiers' training camps and other problems vital to the conduct of the war, I do not see the use of having a com-

mittee. If, however, the committee is properly constituted and given adequate functions and powers, it may allay a great deal of public criticism of the present government. I do not think the government should object to reasonable criticism; if founded on fact, it is a tonic; it stirs governments to action. The people of Canada want to know the facts. The denial of information rightly due to the public was one of the causes why France fell. If the government of the day will, whether through this committee or otherwise, tell the people of the grave danger and inform them of the true state of affairs, and insist that certain things shall be done, I believe the people of Canada will make any sacrifices which are necessary for the safety of the realm.

As regards the proposal that the meetings shall be secret, let me say that no one desires information to get to the enemy, but it annoys a great many people to find that the enemy know most of our secrets, and that much confidential information appears to be known also by a certain committee at Washington and a joint defence board; yet this House of Commons is not given facts which are known elsewhere. The committee might as well not meet at all if they are to meet in secret. Canada is part and parcel of the British empire, and that empire, in which Canada is a link, has the right to know what is our general war policy, what is the nature of our war effort, and how it is to be co-ordinated with and support the efforts of the rest of the empire. That information will be lacking unless the committee has a free hand to find out the facts and meet in public. Our people are entitled to know what has been our war effort from the start, what has been its effect, and what it is going to be, so that he who runs may read; and the press should be enabled to publish the facts so that the people may know we are secure. After all is said and done, security is better than opulence.

As members of parliament we are not fulfilling our trust if we consent to hand over all these questions to a select committee and surrender our powers to others. We are not doing our duty if we avoid discussion in this chamber and delegate our responsibilities to a select committee, with the limited functions entrusted to it. I do not intend to let this resolution pass without a protest, because I believe that the appointment of this committee will have the effect of prohibiting discussion in this house of the estimates of the departments concerned and preventing anything further being done until the very end of the session.

I have very little faith in the committee system. I entered this house as long ago as 1921, and all the time I have been here I have had very little reason for confidence in the appointment of select committees or their findings. I recall the principles on which, under the rules of the house, these select committees are appointed. The proposed committee is supposed to go into the war effort, to look into the past, to investigate current activities and, indeed, as I understand, although it is limited by some proviso, to review anything which has happened since the war began. I am not reflecting on the committee system, but I desire to point out that under our British constitution committees are usually appoined with a text of reference. In the past we have had committees appointed to consider the estimates of the Canadian National Railways, without discussion and without notice, empowered to go into the question of ways and means on railways and shipping to examine estimates and expenditures, with the result that the house divested itself of all power to deal with such questions until the committee brought in its report, usually in the dying days of the session. In consequence, under the committee practice, not a question was asked or answered in the house when the report of the committee was being concurred in. Moreover, three-fourths of the members of a committee are supporters of the government, and the government members, as the practice has shown, will write the report and decide on the findings, the question of secrecy, and can rule out any discussion on government policy as outside the scope of the reference.

With regard to these particular matters, I have already expressed the hope in this house that this committee will not be in any sense a whitewashing committee but will deal thoroughly with Canada's war effort. I hope it will consider the whole war effort, not from any partisan point of view but for the purpose of letting the people know the real facts with regard to what Canada is doing, and be in effect a fact-finding committee. If the committee is intended to be a business committee, appointed to go over all expenditures incurred since the war—expenditures past and current—in connection with defence and all that sort of thing, very well and good. But I hope that the committee when appointed will cover all the ground and will see to it that the Canadian people are given the real facts about our war effort.

In a democracy like ours, the opposition on this side as well as the other two parties to my left must share responsibility with the government for the appointment of this committee; for, after all, the opposition is

the next government, and the policy of this opposition is to see to it that the government functions efficiently and exercises its powers in such a way as to disclose exactly what has been done. If the opposition makes an appeal, the government must grant certain concessions, revisions and provisoes with regard to the matter, and in general does so; but the people want to get the real picture of our war effort. Who are the persons responsible for our war effort; what public men in all parties are responsible for the utterly defenceless position, on land and sea and in the air, in which Canada found herself when war broke out? This committee should have access to all documents exchanged between Canada and Great Britain dealing with the war before and after Munich.

As regards the expenditures of his department, the Minister of National Defence (Mr. Ralston), for whom I have a great deal of respect, submitted to the house on November 15 last the expenditures made by the dominion in connection with home defence, the expeditionary force, and so on, and the figures and facts will be found at page 146 of *Hansard* of November 15 as follows:

There are, however, a good many other military establishments. Active army (C.A.S.F.) training centres are at the following places, and I think it is worth while to read them because I do not think the house appreciates the extent and diversity of the training which is being done. These are the training centres—not training by individual units at their headquarters or training in the units, but places to which men may be sent from all the units across Canada in order to receive training in connection with the army:

For infantry (rifle)—Camp Borden, Valcartier, Aldershot, Winnipeg and Calgary.
For infantry (machine gun)—Three Rivers and Dundurn.
For small arms—Kingston and Lethbridge.
For artillery—Winnipeg and Petawawa.
For engineers—Petawawa.
For signals—Barriefield.
For mechanized cavalry, armoured car and tank—Camp Borden.
For army service corps—Camp Borden.
For Medicals—Ottawa.
For ordnance—Kingston and Petawawa.

Then we have district depots including staffs and reinforcements at the various headquarters of the military districts, with a number of sub-depots.

During the winter months there will be units stationed at many other points across the country where winter accommodation is obtainable and where there are facilities for training. Some idea of the magnitude of the work that has been done to prepare winter quarters for the troops can be realized from the following table showing the amount in round figures which has been or is being spent in accommodation for men, for vehicles and for administration and training facilities at some of the camps:

[Mr. Church.]

At Debert	$6,000,000
At Nanaimo	1,365,000
At Sussex	1,800,000
Coast defences	2,500,000
Camp Borden	4,100,000
Petawawa	2,750,000
Valcartier	1,720,000
Newfoundland	670,000
Nova Scotia	2,290,000
Saint John area	432,000
Militia training centres (thirty-nine centres)	8,950,000

The figures for Nova Scotia and the Saint John area are since the beginning of the war.

I admit that a great deal of good work has been done, but I think it is a tragedy that all these expenditures had not been more carefully looked into, because I do not believe in the present camp policy, under which soldiers are sent all the way across Canada, from one place to another. The officers are not to blame.

Take Camp Borden, for instance. There is in General McCuaig an able general there as commandant, and also at the present time commanding district No. 2, is a splendid soldier, one of the best in the dominion, General Constantine. I do not believe that these Camp Borden expenditures were undertaken before the present minister became head of the department and before the two generals came there. I do not wish to be unfair either to the government or to the minister personally, because, so far as these matters are concerned, I know no politics. My sole concern is to see the war carried on to a successful conclusion, and I have no desire but to offer helpful criticism. Indeed, I wish to support the government, because, after all, the government of the day is a government of Canadians in Canada. The members of the government have been elected to carry on the war and the trust is theirs. They have been entrusted with the conduct of the war. That responsibility is the government's, so long as they are the government of the day; and they have been elected for the period of the war by the people of Canada by a very large majority.

Regarding this particular camp, Camp Borden, I should like to know how it came about that some twelve or fourteen or fifteen thousand soldiers belonging to Toronto were taken to that part of the country? Why were they moved to Camp Borden? When the Conservatives were in power in 1916—and I mention this to show that I was not actuated by any political considerations—I described that camp as a hot-house in the summer and an ice-box in the winter. I say that because I have visited the camp. The city of Toronto, which has done so much for the government in both wars, has an investment of $24,000,000 in grounds, buildings, permanent exhibits and

so on in the Canadian National exhibition site. Is there any reason why Toronto troops should not be housed at the exhibition grounds, as in the last war in the winter months, instead of being sent to Camp Borden where conditions are such that there should never be a winter camp? I am opposed to the expenditures there because, as I say, I have visited the camp, and it is not a good location, especially in winter.

Let me add, so far as the minister himself is concerned, that this was done before he was in office. I therefore exempt him from any responsibility. But whoever the officer of the department was that recommended a vote of nearly five million dollars there, it should have been vetoed by the government. Some of the other camps are in the same position. Soldiers are taken from Toronto, leaving their families, and are moved across Canada as far west as Vancouver. I do not believe that this is in the interests of military objectives of any kind, of economy, of training or of anything else. I have received dozens of letters complaining about it and I wish to protest against this state of affairs. These are all questions which a really live committee should take up.

After all, it is our bounden duty to protect the soldiers and their families. They are getting only $1.30 a day. May I also say to the leader of the opposition (Mr. Hanson) that our party gets its support from Ontario; that is where four-fifths of our membership comes from; and I am protesting, as a humble representative from that province, against the conditions that I am pointing out. Sometimes, on soldier matters, I am bound to say, after all is said and done I am my own leader. I do not need leading in this house when it comes to urging upon the government any action that is for the benefit of the soldiers of this country. I have often in the past before the war stood alone on many questions—rearmament and many other defence subjects. I believe that these expenditures should be submitted to the committee.

Mr. RALSTON: The expenditures in connection with the items referred to by my hon. friend will be before the committee if it desires them, and I imagine many of them will be asked for.

Mr. CHURCH: I admit there is a public accounts committee, and questions can also be asked when the minister's estimates are under consideration.

Mr. RALSTON: If my hon. friend will permit me, I think he is under a misapprehension. The expenditures will be before the committee if the committee desires them, and I think it will desire many of them.

Mr. CHURCH: I wish to bring up a matter which was referred to the other day by the hon. member for Mackenzie (Mr. Nicholson). I protest against the charges that are aimed at the business men of Toronto and, for that matter, business men throughout the country. I do not believe for a moment that the business men of Canada are "resting on their oars." Those in Toronto are working night and day to speed up Canada's war effort, some of them losing money. Some are not able to get parts, and others are waiting for extensions of plants. If there is any district that is making its contribution in men and munitions, it is military district No. 2. What I say of the business men of Toronto is true, I have no doubt, of the industrialists of the country generally.

Some reference has been made to farmers' sons. I am glad to hear the minister's assurance that the committee can deal with these matters. I am sure he never has anything to hide in his hard work. Let me assure the house that the sons of farmers in Ontario are not asking to be exempted. May I say to the Minister of National War Services (Mr. Gardiner) that had it not been for him and his useless department, we should have had 800,000 soldiers trained by now on the voluntary system of recruiting instead of the cumbersome machinery of the mobilization department.

Yesterday the funeral of a great Canadian, Sir Frederick Banting, was held in Toronto. He was born on the farm, but look what he, a patriot in peace and war alike, did for his country. Speaking in this house on May 16, 1923, I mentioned the patriotism of the farmers of Ontario when the issue of protection was raised. The farmers of Ontario have never failed to stand for their country in the polling booths; and when war has threatened the existence of this dominion, the farmers of Ontario—the actual farmers—have never failed to go themselves or to send their sons to defend their country on the battlefield.

This resolution speaks for itself. I do not see why hon. gentlemen in another place, as they are called, should not have their services utilized in this war effort. The senate at Washington and the House of Lords in England are not, like ours, on holidays. The government might very well give the other chamber more work to do, coordinated and cooperated with the work of this house, particularly in this time of war, because they have some very valuable business men and war leaders there. How will Britain be able to take the offensive unless the dominions do their duty with regard to men and munitions?

This committee should have the power also to go over the expenditures of the joint defence board which has been set up. That board proposes to spend a large amount of money, and we do not know what it is all about. Not long ago we had an announcement made by the deputy minister of the naval department, the minister himself, and officials of the joint defence board, involving an expenditure of hundreds of millions of dollars, without this House of Commons knowing anything about the matter.

What about our arms programme, which is still in the preparatory stage? Will the work of this committee hinder or help our war effort? Is the committee to act on party lines, or is it not? Should the party principle not be eliminated? Many young soldiers who have enlisted to fight Hitler would not have done so voluntarily if they had known they were going to be sent to the West Indies, or Iceland, or Greenland's icy mountains. Hitler cannot be fought there; those are secondary areas. In our whole war effort we seem to be ignoring the danger to Great Britain, particularly in the Mediterranean, where England is doing so well against the Italians. If Britain loses the war, however, the Germans will make these same Italians fight against Britain, and Britain has to feed them and take good care of them.

If this committee is simply to conduct a postmortem on what has been done in the past, it had better not be appointed. It should have power to go over and review the work of outside boards as well. Many men in Canada have been lulled into a false sense of security. They might have known that unless those countries desiring peace were stronger than those desiring war, there would be no peace. I define collective security as a doctrine that leaves to others the task of defending freedom and civilization on land, sea and in the air, while they look on as spectators.

In conclusion, I fail to see how the appointment of this committee will help. We do not want a whitewash repetition of what was done once before in another committee on railways and shipping; we want to get some real action. The press has a right, as I see it, to carry on free discussion and criticism. The press has an important duty to perform. All the information given out through the government information bureau might just as well be dropped. It has been a cardinal principle of the nazi regime, and one of its proudest accomplishments, to take away the freedom of the press. In Canada I think the press are measuring up to their duty splendidly, particularly in connection with the war loans campaign. If the press is to fulfil these functions adequately, there must be a large number of independent newspapers, each representing a particular viewpoint. The national press should provide a medium for the expression of opinion. A democratic press reflects public opinion, and the right of free discussion should not be taken away. In a double sense the press is an intermediary between the government and the public. It provides a channel by which ministers can keep the electorate informed of their activities, and it also serves as a sort of barometer, by means of which the government can gauge the feelings of the country. These are the views of a great newspaper man, and patriot, Mr. Arthur Mann, the brilliant editor of the Yorkshire *Post*. He says:

> In this connection the establishment of the ministry of information by the present government betrayed, in its original form, a lack of confidence in the ability of the press to fulfil its proper functions.

I believe that something should be done now to establish the freedom of the press and to protect it for the period of the war. This committee may meet until doomsday, but unless it is given proper powers and functions, I do not believe any good will flow from it, and the people will continue to be just as much in the dark with regard to Canada's war effort.

Mr. J. A. MARSHALL (Camrose): Mr. Speaker, I find that my name appears in the list of members who are to constitute a committee to examine the expenditures defrayed out of moneys provided by parliament for the defence services and for other services directly connected with the war. At this time I desire to make a few remarks with respect to this resolution.

When the group with which I am associated was asked to name a member to this committee I was chosen for the task, for two reasons: first, because I have a knowledge—limited, it is true,—of accountancy, and second because I was a member of that public accounts committee which wrangled over and discussed the famous Bren machine gun contract. For these two reasons I was asked by my group if I would allow my name to go forward as a member of this committee. I consented to do so, on the distinct understanding that I would be relieved of the responsibility resting upon me as a member of some other important committees. Last year I was a member of the committee set up to consider the defence of Canada regulations. This year I requested that I be taken off that committee. That request has been acceded to, and my place is being taken by my very good friend and colleague from

Macleod (Mr. Hansell). I want to say that I enjoyed the deliberations of that committee, and in large measure I concurred in the recommendations which it made to this house.

It is the belief of our group generally that this committee on war expenditures should function, first, for the most part between sessions rather than during sessions of parliament; and, second, that it should function during the whole life of this parliament. In other words we feel that a committee of such great importance as this one should not die, as committees usually do, on the expiration of the session.

We find ourselves in complete agreement with the Prime Minister (Mr. Mackenzie King) when he says that the committee should work for the good of the whole of Canada, that our deliberations should be divorced entirely from all party considerations, and that it should not be used as a sort of fishing expedition. We agree wholeheartedly with those sentiments. We do not believe however that this committee should be used as an occasion to enhance political prestige. We do not believe that the members of this committee should try to obtain some advantage, or that they should use the committee as a means of whitewashing acts of omission or commission either by government officials or by ministers of the crown. If we are going to conduct the deliberations of this committee in the manner I have described I shall most certainly resign from the committee and have nothing more to do with it.

We as a group believe that the work of the committee should be carried on between sessions rather than only during the session, because, as all hon. members know, it is quite impossible for any body of men to carry out such an immense and important task simply by meeting occasionally during the session. The Prime Minister and members of parliament, and particularly members of the committee, know quite well that this is really a full-time task, and it would be futile to expect us to do it justice by sitting only occasionally while we are here in Ottawa, during the session. In my opinion we must devote a great deal more time to it than that.

I desire to discuss briefly another matter. I must confess that the committee does not impress me very favourably. Rather, it has the opposite effect. I have the feeling that it is more of a political set-up than appears on the surface. May I give a few particulars with respect to the gentlemen who are to serve on the committee?

Mr. HANSON (York-Sunbury): Before the hon. member proceeds, does he suggest or intimate that I made the suggestion for political reasons?

Mr. MARSHALL: No, I would not impute such a motive to the leader of the opposition (Mr. Hanson).

Here are the members of the committee:

Abbott, lawyer, Liberal
Bercovitch, lawyer, Liberal
Black (Cumberland), director, Liberal-Conservative
Bradette, merchant and farmer, Liberal
Chevrier, lawyer, Liberal
Cleaver, lawyer, Liberal
Diefenbaker, lawyer, Conservative
Fournier (Hull), lawyer, Liberal
Gladstone, manufacturer, Liberal
Golding, machinist, Liberal
Graham, lawyer, Liberal
Gray, lawyer, Liberal
Green, lawyer, Conservative
Harris (Danforth), manufacturer, Conservative
Macdonald (Halifax), lawyer, Liberal
MacInnis, motorman, Cooperative Commonwealth Federation
Marshall, municipal secretary, Social Credit
Mayhew, manufacturer, Liberal
McGeer, lawyer, Liberal
Picard, lawyer, Liberal
Pottier, lawyer, Liberal
Ross (Moose Jaw), farmer, Liberal

A welcome change.

Sissons, lawyer, Liberal
Thorson, lawyer, Liberal

Mr. JOHNSTON (Bow River): That is a lawyers' committee.

Mr. MARSHALL: Making a further analysis of that set-up we find that the Liberal membership of the committee is divided up as follows:

Lawyers	13
Machinist	1
Manufacturers	2
Merchant and farmer	2
Total	18

The Conservative membership is divided as follows:

Lawyers	2
Manufacturer	1
Director	1
Total	4

The Cooperative Commonwealth Federation has one member, who is a motorman, and the Social Credit party is represented by one, who is a municipal secretary.

I do not have to point out to the house that the personnel of this committee is composed preponderantly of lawyers. It is a matter for argument whether a committee consisting of such an overwhelming number of lawyers is the proper kind of committee to estimate what "economies consistent with the execution of the policy decided by the government may be effected therein."

My personal view is that more time will be spent arguing the legality of this or that section of the contracts than will be devoted to a discussion of the economic values of the

products covered by those contracts. I fear that the high and noble purpose for which the committee has been set up will never be achieved. I do not think the Prime Minister is taking any chances on the deliberations of the committee being used for political advantage. I am of the opinion that his appeal for close cooperation among members of the committee is not needed. Eighteen members out of the twenty-four will always cooperate, no matter what the other six may do. It would have been a real patriotic act on the part of the Prime Minister if he had given a larger quota to the opposition groups.

Some question has been raised as to whether the deliberations should be held in camera. At the moment I believe that most of these meetings could be thrown wide open to the public. It is true that there will be times when meetings should be held in camera, but those occasions can be decided best by the committee as it pursues its investigations. The committee on the defence of Canada regulations which sat last year held all its meetings in camera. Looking back I am of the opinion that at least ninety per cent of those meetings could have been held in the open. Having that experience in mind, I think it is best to leave this matter entirely in the hands of the committee.

As a member of one of the minority groups I wish to register a protest with respect to the conferences which were held between the Prime Minister and some members of his party and certain members of the official opposition regarding this question. It does seem to me that representation from the minority groups should have been invited. It would have been a fine gesture on the part of the Prime Minister to issue such an invitation. The Prime Minister will find that the members of the minority groups are just as much interested in these important matters as are the members of either of the majority groups. The Prime Minister in my opinion missed an excellent opportunity to practise that virtue of cooperation which he professes to admire.

We as a group are fully conscious of the tremendous task which lies ahead for Canada in the successful prosecution of this war effort. We realize too that all groups must cooperate to bring victory to the British commonwealth of nations in this struggle. We renew our pledge to work whole-heartedly toward that goal. Naming and commenting upon the personnel of this committee, the Prime Minister said:

> Then there is the name of Mr. MacInnis of the Cooperative Commonwealth Federation and Mr. Marshall of the Social Credit group.
>
> Mr. Hanson (York-Sunbury): The Prime Minister would not give them a certificate of credit, would he?
>
> [Mr. Marshall.]
>
> Mr. Mackenzie King: Yes; I am prepared to give them a certificate of credit with respect to the integrity with which they are bound to and will, I believe, discharge their duties.

I thank the Prime Minister for those kindly sentiments. I assure him that I deem it my duty as a Canadian citizen to cooperate in the fullest measure possible, and I have no doubt that the hon. member for Vancouver East (Mr. MacInnis) has the same feeling in the matter.

Mr. D. C. ABBOTT (St. Antoine-Westmount): Mr. Speaker, I do not wish to delay the passage of this resolution, but being one of the few new members of the house selected to serve on this committee, and one of the thirteen Liberal lawyers to whom the hon. member who has just taken his seat referred, there are a few matters which I think I should bring to the attention of the house.

When the committee was first proposed in November or December last, I was delighted at the suggestion. I was not too much concerned about who should get the credit; I felt that it was a constructive move which would enable private members of this house to render real public service. I have heard it said that the activities of private members were limited, that their hands, particularly those of the large government majority, were more or less tied. That suggestion has been put forth by some of my hon. friends opposite. Let me say at once that I have not found that to be so. So far as this committee is concerned, if I find, as someone has suggested, that I am to act as part of a whitewashing operation, I shall ask to be relieved of my duties on the committee.

I cannot for the life of me see why the work of this committee should be looked at from a partisan point of view. It seems to me that its work can be carried on in a perfectly non-partisan way. I was delighted to hear the hon. member for Vancouver South (Mr. Green) say last evening in no uncertain terms that he hoped that when the members went into the first meeting of the committee and every subsequent meeting they would leave their politics behind. Unfortunately that view does not seem to be held by all, and certainly not by certain sections of the press. The debate which occurred last evening did not entirely convince me that it was shared by all hon. gentlemen opposite.

I do not propose to enter into a discussion as to whether the meetings of this committee should be secret or open. Personally I can think of many reasons why the meetings should be held in camera. I can see no good reason for holding them in public, unless it is to afford an opportunity to some one to display his ability, or lack of

it, as a cross-examiner. I cannot help feeling that behind the criticism which has been voiced in the press, and to a certain extent by the leader of the opposition (Mr. Hanson), there is a belief that the representation of the Liberal party on this committee is too large. Personally I resent the implication, if implication there be, that because I sit on that committee as a Liberal member I am not going to do my duty.

May I be allowed to make a personal reference? I was elected in the last election as a Liberal, but I believe it is fair to say that I received possibly as many Conservative votes as some of the hon. gentlemen opposite. My opponent was a gentleman who had sat in this house for many years. I think I can say without fear of contradiction that he had the respect, admiration and affection, not only of the members of the house but of his constituents. I refer, of course, to Mr. R. S. White. Mr. White was elected in 1935 with a large majority, something over 5,500. I was elected last year with a slightly larger majority. I am not under the delusion that that was due to any special ability on my part; it was due to the fact that the electors preferred the policies offered by the present government to those put forward by Doctor Manion. I like to think that the size of my majority was due in some measure to the confidence which a large number of the electors, both Conservative and Liberal, had in myself. I like to think that they felt that if I came here I would do what I could to ensure that our war effort would be the maximum of which we are capable. For that reason I have been particularly disturbed at the suggestion that was made—I do not say that the suggestion was made with respect to myself—that Liberal members as such will not act on this committee in a non-partisan way. I feel that criticism of that sort, if sincere, is going to produce exactly the opposite effect from that intended.

I know there is a good deal of nonsense talked about criticism. Criticism, of course, is an absolutely necessary part of our democratic system. It cannot function without it. I am not very much concerned about all this talk of the distinction between constructive and destructive criticism. To me it is too hard to tell what the difference is. What I am more interested in is whether the critic is sincere and what the motive is which actuates him in putting forward his criticism. I cannot help feeling that a great deal of the criticism which has been put forward in the press and in this house as to the way in which this committee will function, while perhaps sincere, is not motivated solely, if at all, by a desire to see that a thorough and proper investigation be made into our war expenditures.

The other day I read the report of a speech which was made in Toronto by the mayor of Hamilton in connection with this question of criticism. It is reported in the Hamilton *Spectator* of the 27th of February, Thursday last, and I should like to read one or two extracts from that speech:

> Mayor W. A. Morrison, K.C., of Hamilton, speaking as a "known Conservative" told the Ontario Good Roads Association in an address to-day that "we must cast out suspicion and carping and bitter criticism" to build up confidence in Canada's government, her public men and war effort.
>
> "The man who destroys confidence in Canada and its leaders to-day is playing the game Germany has often played in other countries of undermining confidence in administrations."
>
> "Rumour is a terrible weapon in the hands of one's enemies—rumour stealthily sown and cultivated by enemy agents has preceded the collapse of every country that has come under the German yoke. Let us be on our guard in these critical times against rumour and the wise guys who keep sniping at Canada's war effort with criticisms and comments based on rumours which have little solid foundation in fact."

Continuing, he said:

> Nobody can accuse me of ever having pulled my punches when I have had to mix it in peacetime politics with the Liberals either at Queen's park or at Ottawa, but let me tell you this, when this country is at war I am a Canadian and a Britisher before I am a Conservative party man and, like a lot of other people, I am getting damned well fed up with this constant yapping at the government about the inefficiency and ineffectiveness of the war effort.

I do not know his worship the mayor. He perhaps did not couch his language exactly in parliamentary terms, but he was speaking straight to the point, and I think he was expressing views which are shared by a good many people in this country including, I may say, myself.

I, in common with a good many other members of this house, served overseas in the last war. It is just twenty-four years ago this month that I landed in France as a private soldier in a battery of which the second in command was my hon. friend the member for Queens (Mr. Macmillan).

I was thinking yesterday as I heard my hon. friend the Minister of National Defence (Mr. Ralston) referring to these category "C1" fellows who can walk five miles with a pack on their back, that perhaps I could not even qualify for that to-day. But when I was elected as a member of this house less than a year ago, I felt that in this particular field I might be able to make some contribution to

the prosecution of this war and I hope to do so. I did feel when this committee was suggested and my name appeared as a member of it that it would accord an opportunity of doing a really constructive job. Frankly, it has been a little discouraging to me to have the discussion of the formation of this committee, both in the press and to a certain extent in this house, put on a partisan basis. Therefore I want to endorse with all the sincerity at my command the views which were so ably expressed last night by the hon. member for Vancouver South (Mr. Green), and to suggest that we get this resolution through so that the committee can get down to work just as soon as possible.

Mr. J. H. HARRIS (Danforth): I think, Mr. Speaker, that we are all seized with the great responsibility we have during these difficult times, and I believe that members on all sides will address themselves to any task that is given us, with energy, zeal and industry, with the single purpose of trying to do something on behalf of Canada and the empire. The situation abroad is to-day perhaps even more serious than at any other time. We are seeing an attack upon our ideals and our way of life, only the remnants of which are left in some countries of Europe, and it is not difficult for us to echo the sentiments which the hon. member for St. Antoine-Westmount (Mr. Abbott) expressed a moment or two ago and which were so admirably expressed last night by the hon. member for Vancouver South (Mr. Green).

Before addressing myself to the question before the chair I wonder, Mr. Speaker, whether we are quite in order in this discussion. Would it not have been sufficient for the purposes of this resolution if the Prime Minister (Mr. Mackenzie King) had simply made his statement, followed by the leader of the opposition (Mr. Hanson), and then perhaps let it go at that? I felt disposed to rise to a point of order when the hon. member for Selkirk (Mr. Thorson) rose in his place, but I suppose he wanted to help out in laying the groundwork for the committee over which he may have the honour to preside.

Frankly, I was disappointed with the statement of the Prime Minister as to the functions of this committee. The evidence his statement gave of faltering, of not being just sure of what the committee might be able to do, not laying down the principles which should govern the committee, leaving the impression which he did last December that the committee would proceed on much the same lines as the committee at Westminster, neglecting to act last December on this tremendous job of work, of which now we can touch only the fringe, and allowing that work to lie untouched from then until now—all this showed a definite weakness.

Among the names of members whom it is proposed to appoint to this committee, I have the honour to notice my own. I did not ask to be placed on this committee. Without any suggestion from myself, I was asked to serve on it, and I assume that responsibility, realizing that I shall have a free hand and that the sole purpose of our deliberations shall be the helping of our war effort. Many of our forefathers are buried overseas; our children are willing to spill their blood in the cause, and many of them are already over there. From the point of view of the people themselves, we must exert ourselves to do everything we possibly can.

Then, on the material side, be it noted that our industries are connected and closely allied with British empire industries. The possibilities of our earning a living in the days to come are tied up with our membership in the empire. No matter from what point of view we look at the problem, we are forced to the conclusion that this must be an all-out effort.

To my mind this effort, since the inception of the war, and even before it, has been narrowed and circumscribed through the attitude of the government that it is their responsibility and theirs alone. Press and public rise indignantly to assert that the government must broaden the effort. So it chooses executives from industry, from the schools of learning and from institutions of public service, and appoints them to assist in this and that way. That is all to the good, and I am thoroughly in accord with it. But when restrictions are placed upon those who come to serve, when they find themselves circumscribed and inhibited by political necessities, it is difficult for them to function. We are now to have a committee which is to lay all party and partisan considerations on the doormat before it enters upon its deliberations. That is a fine objective, and if I am honoured with a place upon the committee, everything in my power will be done to try to reach that objective. But all we have to go on is the experience of days gone by. I address myself particularly now to those who will be privileged to serve on that committee, and since some of them have not been here during the whole of the last two decades, we will restrict our observations and merely look fairly in the face what has occurred in the last ten months with regard to committees which have been reviewing expenditures.

What do we find? The one example which stands out above all others, of a committee

anxious to do work on behalf of Canada, is the one which reviewed the accounts of the railways. The close of the calendar year coincides with the closing of the books of the Canadian National Railways. A committee was set up to examine into expenditures and the budget for the coming year. I believe that its report was tabled in February a year ago, and in that report a vote of $15 million was asked in connection with the budget for the coming year. Then we had an election. The report was not considered. The months of March and April went by, and in May parliament reassembled. In the meantime, expanding revenues on all our railway lines, the result of increased car loadings week by week and other items of that kind, pointed to the fact that $15 million would not be needed. When the committee reconvened, this was brought to its attention. I challenge any member of that committee to assert that that money was needed. They knew in their hearts, when they were sitting last June, and it was brought to their attention that that sum would not be required, that there was no necessity, in view of the experience of the months which had intervened, for any such sum. Yet the committee examining expenditure and budgeting for future expenditure drew a party line when the vote was taken and, to a man, the partisan group, led by a minister of the crown, voted to provide $15 million in case they might want to spend it.

I say to those who may serve on the present committee, let us have no approach of that kind to the problem which now faces us. I here and now give notice that any such approach will find me, if I am honoured with an appointment, withdrawing from the committee.

Here is another example of the like kind. Two-thirds of the revenue of the Trans-Canada Air Lines comes from the Post Office Department. Its rates, and of course necessarily so, are far in excess of what obtain on air lines in other countries, but the excess has enabled them to finish their business for the year with a substantial surplus. All sensible men know that, in starting projects of this kind, one does not look for substantial surpluses, and if they occur, it is natural to examine whence they come. In this case they came out of one department and went into the other. I do not complain so much about that, provided the fact is admitted.

Coming to the partisan side of that picture, what do we find? We find in the report a statement to the effect that they had earned their interest charges, they had earned their depreciation charges and showed this surplus. The real fact of the matter was—and the members of that committee knew it—that these were bookkeeping figures, that sixty cents per flight mile was paid for the carriage of mail whether mail was carried or not, when the service was worth no more than nineteen or twenty cents. The money which made that showing possible came by reason of a contract which was not sound and, as regards the amount of money used to subsidize that project, would not bear investigation. Yet members of that committee rose in their places and voted to a man on party lines to endorse a statement in the report which was not borne out when the examination was made.

We can go back to other days. I do not use the word "whitewash" which was employed by my hon. friend (Mr. Church) a few minutes ago. It describes rather well, however, what happened in the days of the customs investigation, what happened in the price spreads investigation, yes, and what has happened in every committee that has sat on any special problem in the last twenty years to my own knowledge.

I do not feel disposed to prejudge a case which we might be asked to sit on. I am surprised that the hon. member for Selkirk, a learned gentleman, should rise in his place and try to indicate what is going to happen when the committee convenes. I will therefore reserve any remarks with regard to the conduct of the committee except to say that I am in accord with what my hon. leader had to say. I was in accord with his original idea that there should be perhaps two committees or two sections of this committee, namely (a) a section having to do with the men themselves, our soldiers, sailors and airmen, and (b) a section having to do with the material side. I rather concur in his admitting the view expressed by the Minister of National Defence (Mr. Ralston) and I will let it go at that.

In the view expressed by the hon. member for Yale (Mr. Stirling) I concur. I do not see how we can go into a committee that sits in camera on a project of this magnitude. It is quite true they sat in camera at Westminster and brought down some fourteen reports. The Prime Minister knows and this house knows that many of the deliberations, or parts of the deliberations, of these secret subcommittees found their way into the press of the country from time to time. Hon. members well know that if such a committee sitting in camera convenes in this House of Commons, leaks will get into the press. Did we not have an example of that within the last two or three days? The Prime Minister occupied most of his time in finding fault

with what had leaked out from a very small group, much smaller and much more subject to questioning than the one proposed to be set up. But men charged with this responsibility are not going to give out facts or figures, or quantities or information that will be of any comfort to the enemy. If we do, we are not worthy to sit on the committee. If members of this house do such a thing, they are not worthy to sit in the house. We are studying the problem with a view to assisting in every way possible.

A great deal of time is wasted in discussing the word "current." We know what the word "current" means, and we know that the impression has prevailed in the country since the house adjourned in December that the inquiry was only going to be from this time forward, instead of going back to what had happened before. But it will be very difficult to examine even current expenditures. We do not know what they are and we are not getting statements which are frank enough. We are not getting statements which are sufficiently up to the minute to give us an opportunity to examine even into current expenditures.

On several occasions during the last two sessions I had the privilege of rising in my place and asking the Minister of Munitions and Supply (Mr. Howe) to lay on the table contracts awarded months previously. Just yesterday the minister laid on the table contracts awarded for the month of November, 1940. Are we to be able to examine anything that has happened since November? Of course we must be able to. After all, this department only requires clerical help and management to bring the information up to date. Some business institutions close their books on Thursday and a statement of their affairs is on the desk for Saturday. That obtains in four or five industries in which I am interested. They are small—a matter of a couple of hundred men—but it can be done. Business houses mailed their statements of accounts for the month of March last Friday evening at five o'clock, that being the last day of the month previous, and they were in the hands of their customers on Saturday morning, March 1. It is being done. One of the largest institutions in Canada closes its books at five o'clock on Friday night and on Saturday morning there is the financial statement for the week's business on the desk of every executive. I know that to be a fact. I say, it can be done, and in this case it must be done, so that we shall have an opportunity to be up to the moment.

I mentioned the word "frankness" and I will mention it again. Perhaps it is not a lack of frankness so much as a lack of attention, on the part of the organizations in our government which are spending money, to what is being said in the House of Commons. Perhaps some civil servants do not realize that this parliament is supreme. Perhaps, from some of the discussions that go on here, they come to the conclusion that we do not know what it is all about, and they have no intention of letting us know. I do not know. At any rate, I would refer to two returns which came down in the last couple of days, one of them with regard to the purchase of lands in the township of Scarboro for the building of some munitions enterprise or other, involving a matter of some three or four hundred acres. The return comes down, "No information". The contractors are building on that land now. The land was expropriated and taken over months ago. In like manner a return was brought down, which I asked for in my own name, with regard to the township of Pickering—"No information". They entered on these lands in October last and tore down fences and buildings. I made the inquiry for the reason that certain persons wanted to see whether they could help on that job. Trucks are out there to-day clearing off the buildings and getting ready for a considerable expenditure, which I notice runs into as much as $2,000,000, one-eighth for Canadian account and seven-eighths for United Kingdom account. Yet the return comes to the house, "No information".

Mr. RALSTON: What did my hon. friend ask?

Mr. HARRIS (Danforth): I do not have it here.

Mr. RALSTON: The hon. member said the return was asked for in order that some people who wanted to help—

Mr. HARRIS (Danforth): I asked whether land was purchased in the township of Pickering.

Mr. RALSTON: Yes, and the answer was, "No information".

Mr. HARRIS (Danforth): Yes.

Mr. RALSTON: I wondered what that had to do with people helping.

Mr. HARRIS (Danforth): I do not see that that has any point.

Mr. RALSTON: My hon. friend gave the impression that, from some high-minded motive, he had asked a question in order that people might help. I find the information asked for was, "How much land was purchased?" And the answer was, "No information". All my hon. friend is saying is that people are on the land. Land is being taken

and occupied by the defence services, outside munitions and supply, in respect of which negotiations have not been completed.

Mr. HARRIS (Danforth): I wanted to lay the basis for information, and if land was entered upon and occupied, we desired to know. It is the General Engineering company who have entered upon the land, and there is an expenditure of $2,250,000 for filling fuses, primers and so on, at Pickering, Ontario; yet we get back the reply, "No information".

Mr. RALSTON: No information with regard to what question?

Mr. HARRIS (Danforth): No information with regard to the purchase of the land on which this work was going to be done, although they have been working on it for six months. My whole point is that in the matter of the current expenditures, if we are going to be dragging four, five and six months behind all the time we are not going to be able to do the job of work we would like to do. The other point is that if, as we go along, we do not get frank statements from those charged with responsibility, we shall be circumscribed more and more in our effort to do something along this line. I do not say that it is going to be all cluttered up with blind partisanship, but I do say that if blind partisanship in connection with this committee does not cease, then the committee will not function properly and will not be able to do a real job of work.

Mr. RALSTON: I suggest that my hon. friend is tilting at windmills.

Mr. HANSON (York-Sunbury): No, he is not; not about Pickering. Why in the world did you not give the information?

Mr. RALSTON: It is not my department at all—

Mr. HANSON (York-Sunbury): I appreciate that.

Mr. RALSTON: —but I was pointing out that "no information" did not necessarily mean that anything whatever had been withheld. My hon. friend was asking about the purchase. I understand that at the time the land was not purchased, and therefore the answer was "no information."

Mr. HARRIS (Danforth): I still have the floor, Mr. Speaker, and I have disposed of that question. I repeat what I said previously, that there is a lag in giving information to this house. That lag must be removed if we are going to be able to do a job and do it properly.

Mr. RALSTON: I still say that my hon. friend is tilting at windmills.

Mr. HARRIS (Danforth): I do not admit that for one moment.

The hon. member for Selkirk, in discussing the appointment of this committee, made the suggestion that when we oppose the idea of its being a secret committee, we are just scratching the surface of the matter and not getting down to realities. I suppose the group who will surround him in that committee will follow through on his suggestion that, in part at least, it must be held in camera. When the hon. member took that attitude he was following the lead that was given by the Prime Minister, but yesterday the Prime Minister removed that restriction. I ask now that all members of the government do likewise. There is still on *Hansard* a statement by the Minister of Munitions and Supply that this committee will sit in camera. Before the debate concludes, I should like the Prime Minister to say that when he withdrew that restriction he did so on behalf of all the members of his cabinet; otherwise I do not see how I can serve on such a committee. I will not serve on a committee that is sitting in camera.

We are faced with a very difficult problem. The magnitude of these expenditures is such that we may be able to touch only the fringe of the job of work ahead of us. Matters will have to be taken up largely on general lines. I hope we shall approach the problem remembering that our country and our empire are facing a ruthless, almost furious enemy, ambitious for power; fanatics who have come to power by crushing and impoverishing smaller nations, with the backing of a youthful mob who seem to be seized with the idea that the old order of things is not good enough, who wish to establish a new civilization and destroy the old. We British people, slow to anger, have built up over the last thousand years a civilization held together not by force but by unwritten laws and codes of ethics. We have been a great agency for good during that time, and we should continue to be a force for good. That should be the star at which members of this committee should look all the time. They should not be circumscribed by partisanship—and I couple the name of the Minister of Justice (Mr. Lapointe) with the circumscribing of our effort—and should see if it is not possible for government members of a committee not to be leopards but to change their spots for once. I hope they can do so; I hope it may be possible to make this miracle work.

Mr. LIGUORI LACOMBE (Laval-Two Mountains): (Translation) This resolution is timely: Its very introduction will prevent many abuses. Therefore, I wish to bring to the attention of the house some facts that are quite unusual, to say the least. We find that the dominion agrees to hand money to industrialists for the manufacture of munitions. In the fulfilment of most contracts, the expense is borne by the Canadian government, except perhaps, for a contribution from the United Kingdom. These contracts are awarded to this or that firm, very often without public tenders having first been called. In many cases, the firm which secures the contract does not fulfil it itself, but entrusts the work to sub-contractors. Why should there be any middlemen? Whenever a third party comes in, the expenditure invariably increases, costly transactions take place, with all that is entailed by the transfer of negotiable instruments that are part of the contracts from a legal standpoint. Yet we have in Canada a large number of industries able to offer the dominion every necessary guarantee in addition to assuming themselves if not all at least a substantial part of the advances. Moreover, the financial position of this country, as well as the public interest, would be better protected if the tender system once again was resorted to in the award of all contracts. Besides, would not such a procedure best ensure fairness and honesty? It is important that the government should eliminate middlemen by entrusting the direct fulfilment of contracts to well-established firms, whose responsibility and solvency could not be questioned. The committee provided for in this resolution should seriously examine the matter and give special consideration to what I am about to say.

At this time, I am keeping in mind the urgent necessity for the government to hound down everywhere those who contrive to reap a harvest through patronage, through an odious exploitation of munition factory workers whereby the latter are sneakily deprived of wages sufficient for the support of their dependents with the result that they receive little in return for their work. The government must by every means at their command destroy those despicable and vile scoundrels, as they must also remove shameless financiers and histrionic politicians from the scene where not only our future but our very existence is now at stake. At this time when we are required to make very heavy sacrifices, let war be waged upon combine-advocating politicians, responsible for almost all the abuses that exist to-day. Party lobbyists should not be allowed to gain the upper hand in this country, whose debt is piling up from day to day. Public interest, nay the very safety of our nation makes it a duty for true statesmen, for political men worthy of that name, to restrain that swarming mob which may jeopardize the success of the most commendable policies. Men engaged in that racket, in that organized, or I should rather say industrialized crime, since it is taking nowadays alarming proportions, are endeavouring to operate, through the hiring of workmen, even in munition plants. Have we not seen an aftermath of their activities in proceedings taken before courts of justice in Montreal? The people who pay have a right to demand every necessary precaution against the plots of those people who are truly sabotaging the defence and the war effort of Canada.

Let us forestall the baneful intrigues of robbers who are so unconcerned about the people's welfare that they have repeatedly betrayed the nation for the furtherance of their petty interests. As a means of rooting out the evil, I would suggest to the right honourable the Minister of Justice (Mr. Lapointe) to have all armament factories in Canada watched by the Royal Canadian Mounted Police. Nobody would have any complaint to make on that score. It would be in the mutual interests of industrialists and workmen, and greedy foremen would find it impossible to exploit wage earners.

A short time ago, the public information office released to editors of religious news an article entitled "By Whom is Right Upheld," which I wish to quote:

> One merely has to compare the nazi traditions and war aims with those of England and her allies to ascertain who is upholding right in this conflict wherein the fate of the world is at stake. Let us recall a statement of principles, similar to the one made by His Holiness the Pope, which has recently been published by English churchmen, one of whom was His Eminence Cardinal Hinsley, archbishop of Westminster and Roman Catholic primate of England. They made five suggestions:
>
> Excessive inequality in wealth should be abolished.
>
> Every child, of whatever race or condition, should have an equal opportunity to secure an education commensurate with his talents and needs.
>
> The family must be maintained as a social unit.
>
> The sense of a divine mission must again inspire man in his daily work.
>
> The world's resources must be used as a gift imparted by God to all men, according to the needs of the present and future generations.

Is that not a complete program of social regeneration? One of the war aims of the allies is the defence and preservation of democracy. Of course, all forms of govern-

ment are handicapped by imperfections inherent in their contingent and human nature. For that very reason should they not ever strive after justice, honesty, and sound and true freedom, which cannot possibly be derived from the favouritism and ambition of exploiters, who invariably subordinate the welfare of the people to their own interests? Those who shed and will shed their blood in upholding the principles stated in the war aims of the allies have a right to demand that their sacrifice shall not have been made in vain. All those whom the nation is mobilizing in their persons, their life, their industry, their home, their work, their income, demand that necessary action be taken against traitors, saboteurs, monopolizers and supporters of financial imperialism. The first duty of the government is to afford such protection to the utmost of their unlimited powers.

Mr. R. W. MAYHEW (Victoria, B.C.): Mr. Speaker, with regard to this committee I should like to express an opinion which, up to the present time, I believe has not been brought to the attention of the house. I am not going to say whether I would or would not serve on a committee which sat in camera, or otherwise. In my opinion that would be a wrong basis on which to start. When one goes into a committee he should try to do the things the majority believe to be in the best interests of all. Therefore I would not say I would not serve on a committee if it chose to do thus or so.

I believe the committee may do a great deal of good. In the first place it will serve as a warning to those who would prosper on the misfortunes of others, or those who would not conduct their affairs on an ethical basis. Second, in addition to the good effect it will have on the people, and the impression it will leave in the minds of those people that the interests of the taxpayers are being looked after, there is another feature to which I believe consideration must be given. In thinking of it we must first say to ourselves: What is the job we have in hand at the present time? Is it the job of retarding the war effort, or that of promoting the war effort?

I now ask the house to consider for a moment whether a committee of this kind will actually promote, facilitate or speed up the present war effort. That in my opinion is paramount. What is going to be the effect on those people who are constantly having to make decisions with regard to war contracts, the purchase of lands, the types of aeroplanes or boats to be built, if they think that every move they make is going to be brought before a committee of the house for examination? In peace time I believe every move they make should be watched. But in a time like this, when speed is necessary, I would question the wisdom of the appointment of a committee which would make such examinations. If it is appointed, then I say the committee must be very careful that by methods of obstruction it does not add to the cost of the war effort more than the few dollars or even the few thousands of dollars it might save. If criticism of this house is justified, more than anything else it is because we have failed to get quick decisions on a number of matters. I am not condemning the war effort or the work of this government, but I do say that decisions are vital in the interests of this country. I doubt if we shall be able to get decisions quickly if those who are to make them have to wait to wrap up everything in a blue parcel, tie it with red ribbon and put a seal upon it.

Mr. DOUGLAS G. ROSS (St. Paul's): Mr. Speaker, it is not my intention to delay the passage of this resolution or to speak at great length, but there are one or two observations I should like to make. I agree with what was said by my colleague, the hon. member for Vancouver South (Mr. Green), when he suggested that the House of Commons should give its blessing to this committee so that it could get on with its work. I feel also that the success of this committee depends upon the extent to which the members of the committee are willing to leave their politics outside the door of the committee room. The members of that committee will have practically to forsake their politics for the duration of the war, both in and out of this house. Anything I may say to-day I do not want to be taken as casting reflection upon any hon. member. It is of the utmost importance that this committee should work in the greatest harmony possible, and there should be similar harmony in connection with the setting up of the committee. Yesterday the Prime Minister (Mr. Mackenzie King) made a few remarks which I do not think were altogether fair. He quoted an editorial which had appeared in the *Globe and Mail,* as follows:

> It is not to be expected that the ten Liberal members will bestir themselves to expose the shortcomings of the government; consequently the task of ferreting out information will devolve upon the handful of Conservative and leftist members.

I am prefacing my remarks with this quotation because it will have a bearing upon what I have to say later on. I do not think it was the intention of this newspaper to cast any reflection upon any member of this

House of Commons. Is there not cause for the opinion expressed in this paper? Have not hon. members on the government side given the people of Canada the impression that they are nothing but what might be termed "yes" men? Rightly or wrongly, that is the impression given to the Canadian people. There is no doubt that all hon. members have a duty to support the government when they think it is right. But there is also a duty to criticize the government when they think it is wrong, more especially in times like these. That is the attitude I have taken. I have been impressed with the fact that Liberal members have not indicated any independence of mind in their criticism of the government. The hon. member for St. Antoine-Westmount (Mr. Abbott) says that their hands are not tied. If that is so, why do they not rise in their places and criticize the government when they think it is wrong? What else can the public of this country or members of this house think but that they are just "yes" men?

I have heard hon. members of the opposition criticized severely because they had the audacity to differ with the government of the day. Some hon. members have been called saboteurs and accused of hindering Canada's war effort because they have criticized the government or have tried to obtain information which belongs rightly to the people of this country and to members of this house. We have our duty as members of this house, and I intend to carry out my duty.

There has been very little criticism on the part of Liberal members. I have listened to political harangues which have been made, not only by hon. members but by some ministers in an endeavour to discredit opposition members who have attempted to criticize the government.

Mr. RALSTON: Does my hon. friend mean during this debate?

Mr. ROSS (St. Paul's): No; I am talking about the past. This particular editorial and other editorials which have appeared are merited to some extent by the past performance of private members on the Liberal side. As I said before, I mention these things which have gone before simply to preface what I am about to say.

There is no doubt in my mind that this committee can play a very useful part in the prosecution of our war effort. If the committee does not think that the powers given it are wide enough, it can come back to the house and ask for wider powers. As to sitting in secret or in public, I think it should be left to the committee to decide when it is necessary to sit in camera. There will be a few times when it will be necessary for the committee to sit in camera, but on every possible occasion I think the meetings should be public. Any decision in this regard made by the committee should not be influenced in the slightest degree by politics. It may be difficult for hon. members to forsake their party politics in connection with this committee, but any effort to play politics there will be open to censure and should be made public to the country. Every hon. member who acts in this way should have to answer, not only to the public but to his own conscience.

Last evening the hon. member for Selkirk (Mr. Thorson) expressed himself quite forcibly. I agree with much of what he said, but I take exception to his remarks as reported on page 1248 of *Hansard:*

> That, I believe, can be done by a thorough and careful inquiry without regard to publicity. We will not be concerned in the committee as to what the public thinks; we will be concerned with the knowledge within ourselves, as members of the committee, that we are doing an honest and thorough job of investigation.

A few moments ago the hon. member for St. Antoine-Westmount said that he could see no reason why any of the meetings of this committee should be held in public. The committee will certainly be concerned over this inquiry being an honest and thorough job of investigation, but it must also be concerned as to what the public thinks. One of the main reasons for the setting-up of this committee is that the public will get all the information. The usefulness of the committee will be lost unless the public are thoroughly informed, and suspicion will be cast upon the committee unless proper publicity is given to its labours. I do not mean publicity by way of propaganda; I mean real, honest publicity. The committee must be fearless.

I should like to express this hope, too, that the press of the country will be restrained in publishing reports and facts and criticisms brought out by the committee. If these points are kept in mind and a course such as I have outlined is followed I feel that a new wave of confidence will sweep over the public.

I wish now to say a word about the membership of the committee. I have in my hand the membership of the select committee on national expenditures of the British House of Commons, taken from page 1136 of the British *Hansard* of December 12, 1939, and I should

like to put the names on *Hansard*. I do not know whether hon. members wish me to read all the names. They are as follows:

Select Committee on National Expenditures
(Great Britain)
Membership—28

Member—Party
Mr. C. G. Ammon—Labour
Sir Charles Barrie—Liberal National
Sir Ernest Bennett—National Labour
Mr. A. C. Bossom—Conservative
Mr. H. Brooke—Conservative
Lady Davidson—Conservative
Mr. J. C. Ede—Labour
Mr. Alfred Edwards—Socialist
Sir Geoffrey Ellis—Conservative
Sir Ralph Glyn—Conservative
Sir Percy Harris—Liberal
Mr. M. R. Hely-Hutchinson—Conservative
Mr. Walter F. Higgs—National Conservative
Sir William Jowitt—Labour
Col. Sir Charles MacAndrew—Conservative
Sir Adam Maitland—Conservative
Sir Assheton Pownall—Conservative
Mr. Leslie R. Pym—Conservative
Sir George Schuster—Liberal National
Sir John Shute—Conservative
Mr. Lewis Silkin—Labour
Sir John Wardlaw-Milne—Conservative
Sir Harold Webbe—Conservative
Mr. Graham White—Liberal
Miss Ellen Wilkinson—Labour
Sir Herbert Williams—Conservative
Mr. Arthur Woodburn—Labour
Sir Robert Young—Labour

The committee was composed of fourteen Conservatives, one Socialist, seven Labour, two Liberal Nationals, two Liberals, one National Conservative and one National Labour, a total of twenty-eight members. Out of that total of twenty-eight members, fourteen were government members. I would ask hon. members also to note the high calibre of the membership of that committee, and I might say the same of the membership of our own committee of this house. To my mind the confidence which the public have in the committees of the British House of Commons is due to its opposition members. There was evidently a great desire on the part of the government there to ensure that there was a good representation of opposition members on that committee.

I should like to say one word more with respect to the composition of our own committee here. The degree of confidence which the public will have in our committee will be measured by the party representation from the House of Commons on the committee. Our committee is composed of twenty-four members—eighteen Liberals, four Conservatives, one Cooperative Commonwealth Federation member and one Social Credit member. There will probably be seven or eight subcommittees, and as the committee is at present constituted it is difficult to see how a representative of the opposition can be placed on each of these subcommittees. I think public confidence in our party system would be greater if there were a larger representation of opposition members on this committee, regardless of the size of its representation in the house, and I commend that thought to the government. May I remind them that the opposition members of this House of Commons represent in the neighbourhood of 44 per cent of the people of Canada.

I have spoken on this resolution, Mr. Speaker, only because of the anxiety in my mind that the committee should be an outstanding success and of the greatest possible service both to the government and to the country in carrying on the war effort of Canada.

Mr. BROOKE CLAXTON (St. Lawrence-St. George): Mr. Speaker, I shall delay the house for only a moment to make one or two observations which may be of some interest. Yesterday we adopted a resolution to appoint a committee to study the defence of Canada regulations. That committee follows the one which was set up last year, and in view of the discussion which has taken place to-day, the experience of the members of the committee which sat last year on the defence of Canada regulations may be of interest to the house. We met twenty-five times under the chairmanship of the Minister of Finance (Mr. Ilsley). Many members have testified to the interest and pleasure of the work of that committee, and I subscribe to all that has been said in that regard, but no one so far has pointed out that during the whole sittings of that committee we did not have a single vote taken on a party basis. I would suggest that this example might well be followed in the committee that we are considering setting up to-day.

These two committees on war expenditure and the defence of Canada regulations, all members will agree, are designed to do some of the most important work of the house this session. The committee on the defence of Canada regulations, I suggest, may well follow along the lines of the concluding paragraph of the main part of the report of the committee last year, and may I observe to the hon. member for Weyburn (Mr. Douglas) that that paragraph was unanimously agreed to. It read:

> In making the recommendations for amendments to the regulations as above set forth and in considering amendments suggested but not included above, it was the unanimous view of the committee that all measures should be taken which were considered necessary for the safety of Canada but that the maximum amount of liberty under the law should be maintained consistent therewith.

That was the principle on which our committee worked, and I think its report bears out my statement. I might add that the government, as the Minister of Justice (Mr. Lapointe) said, adopted without a single change every conclusion and recommendation of that committee.

These committees will be valuable, only in so far as we approach their work in the spirit which has been so well described by the Prime Minister (Mr. Mackenzie King) and all speakers, practically without exception, who have followed him. Our object in these committees is to strike at the enemy and not at each other.

Mr. G. H. CASTLEDEN (Yorkton): The work of this committee has been delayed already much too long, far too many months, for us to wish to delay it any longer, even for five minutes. But there are a few points which I should like to make at this time.

First, I would draw the attention of the house to the enormous job which is facing this committee. Canada has been at war for well over a year and a half. The public accounts committee did not sit at all last year; I think the last time it met was when the Bren machine gun contract was under fire. Canada is paying the bill. The Canadian people have a right to know completely and thoroughly what is being done with the money, where it is being spent, and the types of contracts which are being let.

Going down the street the other day, I saw an exhibit of war material, indicating the prices which had been paid for parachutes and tommy guns. The people of Canada should have had that information a long time ago. The veil which has shrouded the details of expenditure has been left far too long. I hope that the committee will carry out its responsibility in seeing to it that this house and the whole of Canada know how this money is being spent.

Many people in the west are denying themselves necessities in order to buy war savings stamps—people who can ill afford to live on the lower standard which is now demanded of them; people who have very little left; some of them people who have been living on relief for a number of years. While making these sacrifices, they wish to know, and they have a right to know, what is being done with the money; how it is being spent, and where. I hope that the committee will keep this house thoroughly informed.

I do not see how the committee can get through the pile of work which is ahead of them unless they sit continuously from now on, and if we take into account the other contracts which will be coming in—almost as long as the war lasts. Their work should be thorough; that much they owe to the Canadian people. Everything they find out should be placed without hesitancy before this house and the facts published to the Canadian people. As a democracy, we demand that everyone shall know what is happening.

Motion (Mr. Mackenzie King) agreed to.

SUPPLY

AGRICULTURE—STATEMENT OF MR. SENN ON MOTION OF MINISTER OF FINANCE

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee of supply.

Mr. M. C. SENN (Haldimand): Under our present system of responsible government as it exists in this country, it is the privilege—the time-honoured privilege—of representatives of the people to ask for redress of their grievances and to discuss matters of public importance when parliament is being asked to vote supply. I intend, therefore, to bring to the attention of the house, and more particularly to the attention of the government, the plight in which our great primary industry of agriculture finds itself throughout the Dominion of Canada; and before I resume my seat—or at least before I conclude my remarks, because I see that the time from now until six o'clock is short—I intend to move an amendment to the motion which is now before the house.

That conditions surrounding agriculture in this country to-day are unsatisfactory needs no proof. Perhaps it is difficult for people who are not acquainted with farm life, and who see, as they do, the pleasant environment which surrounds agriculture in many parts of the country, to understand that agriculture is experiencing these difficulties. Mother Nature, in her bounty, has accorded ample opportunity to the farmers of this country to be prosperous and to live happy and contented lives. Living as we do in this northern zone, she has provided for us a climate which, though somewhat rigorous, is healthful and exhilarating and which for a good many months in the year is conducive to the growth and development of plant and animal life. Moreover, she has planted within Canada vast areas of the most fertile soil which can be found anywhere in the world, areas of soil which provide for the production of a great variety of crops, ranging all the way from hardy cereals to sub-tropical fruits and vegetables. Science and invention, on the other hand, have provided the equipment for the farmers of Canada whereby they can produce almost anything

which can be produced anywhere in the world —equipment in the line of implements of production, motor cars, radio, hydro appliances of different kinds, so that the farmers are in a very happy position even to the extent of comparing favourably with their city cousins.

The great difficulty which surrounds agriculture to-day can be sized up, I think, in one sentence. It is this, that the income or the revenue of the average farm in Canada is not sufficient to-day to provide for costs of production and at the same time to maintain a reasonable standard of living for the farmer and his family. During the past twenty-five years a great change has come over agriculture throughout the dominion. In the years just prior to the great war and all through the great war, farmers of Canada enjoyed a modicum of prosperity, which has completely vanished at the present time. During the years which have followed that time, they have found that their reserves have been largely dissipated, and land values in this country have dropped perhaps 50 per cent or more. Anybody driving through the country will readily see that the buildings, the fences, the equipment of the average farm are sadly in need of paint and of repair. Indeed, although I hesitate to say it, it is undoubtedly true that a very large proportion of the farmers of this country to-day are insolvent. Many others have their holdings heavily encumbered and are in an unfortunate way so far as their finances are concerned. The reason for that is not difficult to find. During the past twenty years farmers have found a great increase in their production costs, an increase in their labour costs, an increase in the cost of implements of production and a great increase in taxation, while during that period farm prices and farm revenues have not advanced to any degree and in many instances, have been reduced from what they were previously.

In proof of what I have been saying with regard to farm revenues, I would refer to a document which most hon. members will recognize by looking at it. It is part of what is known as the Sirois report. I am referring to appendix 4 dealing with national income. On page 59 I find some interesting figures. There we have a report of the net income of the farmers of Canada after allowing for depreciation of buildings and equipment. The years that are given are from 1926 to 1937, twelve years, and the national income for those twelve years amounted to $5,261,000,000, or an average, during those years, of $439,000,000 per annum. When we remember that in the last census it was shown that there are some 730,000 farmers in the dominion, it will be seen that the yearly income of the farmers of Canada for those twelve years amounted to $600.50. Taking the first eight years of the depression, from 1930 to 1937, hon. members will find that the average income of the farmers was only $290,000,000, and dividing that among all the farmers of Canada, they will find that the yearly average income of the farmer was only $400.50.

Let me carry that further. That total amount of income for the twelve years, as given in this table, shows that the farmer received for those twelve years only 11·3 per cent of the total national income, and for the eight years I have mentioned he received only 8·67 per cent. Yet the farmers of the dominion represent between 35 and 40 per cent of the population.

I wish to go a step further. I find that the farmer is charged in this table, for income in kind for the house in which he has been living, $80 a year on the average; so that it will be found that, instead of receiving $600 on the average for that time, he had only, in cash, some $520, and for the eight years, $320. Why that was added to the farmer's income it is difficult for me to understand.

I think I have said enough and quoted sufficiently from this table to convince every hon. member present that the farmers have not been receiving a fair share of the national income. They have been trying all through the years to maintain a reasonable standard of living which would induce their families to stay on the farms, and in the attempt they have been dissipating their reserves until to-day they find themselves, in altogether too many instances, in a very unfortunate position indeed.

The outbreak of the great war brought many new problems to the dominion, and all these problems have only served to accentuate and bring into bolder relief the problems which agriculture is facing at the present time. The government of necessity has been forced to purchase huge quantities of war materials of all kinds, and has made contracts amounting in the past year to over three-quarters of a billion dollars. All these contracts, so far as I know, have been based on cost of production plus profit. In addition, the government has seen fit in its wisdom to ensure that labour will receive the same scale of wages as it received between the years 1927 and 1929, with the added provision that, if cost of living rises, wages will also rise. I want to make it abundantly clear that I am not finding fault with that. It was the only course the government could follow, and I am sure the farmers of Canada themselves would not say anything else; for the reason that they know that, if industry

and labour are prosperous, they will be ready and willing to buy more liberally of what the farmer produces.

On the other hand, the farmers cannot help feeling that an injustice has been done to them when war prices have to a certain extent set the prices of other industrial goods while farmers are not enjoying an equilibrium or a level of prices comparable with that enjoyed by industry and business. Indeed, the smouldering discontent under which, for some time past, farmers have been labouring, broke into open flame recently when they learned of the action of the war-time prices and trade board—which is of course a body created by this government—in pegging the price of butter. I think I am justified in making the statement that there is in the minds of farmers in many parts of the country a deep-seated resentment against the present administration. If anyone doubts that, let me say that I recently attended a meeting of farmers in the city of London gathered together to discuss prices, and I do not think I have ever seen a more hostile crowd than that faced by the Minister of Agriculture (Mr. Gardiner) at that time.

Mr. GARDINER: The hon. member went home too early.

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

Thursday, March 6, 1941.

The house met at three o'clock.

MINTO-CHIPMAN COAL MINES

TABLING OF ORDER IN COUNCIL APPOINTING COMMISSIONER

Hon. N. A. McLARTY (Minister of Labour): Mr. Speaker, I should like to lay on the table order in council 1347, dealing with the appointment of Mr. Justice Archibald as commissioner in respect to the Minto-Chipman district situation in New Brunswick.

I believe the hon. member for Royal (Mr. Brooks), who yesterday asked the question, will find a complete explanation in the order itself as to the circumstances leading up to and the reasons for the appointment. If, however, after he has had the opportunity of perusing the order he desires any further information, I shall be glad to give it.

Mr. BROOKS: Thank you.

[Mr. Senn.]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NATIONAL REGISTRATION

Mr. DOUGLAS (Weyburn):

1. What was the total cost of the national registration conducted under the National Resources Mobilization Act?

2. How soon will the data collected be classified and made available?

3. What was the total number of persons registered, (a) males; (b) females?

4. How many workers suitable for war industries were located, and in what trades?

5. How many of these workmen have been placed in war industries as a result of the national registration?

6. How many persons were found capable of driving a tractor, (a) males; (b) females?

7. How many persons were found capable of milking a cow, (a) males; (b) females?

Mr. GARDINER:

1. Expenditure to date, $806,988.12; Department of Public Printing and Stationery accounts still awaiting payment, $111,745; total, $918,733.12.

2. The data for reserved occupations, etc., are already available, and part of the statistical data. The latter will be completed before the end of March.

3. (a) 3,988,760 males; (b) 3,871,710 females.

4. Approximately 1,800,000 in 1,250 trades.

5. No record available. Department of Labour is presently engaged in extracting from lists prepared, names and addresses of unemployed persons, and these lists are being sent to employment agencies for the use of industry. Industry may secure complete lists of names and addresses of all persons with special qualifications for the doing of any type of work in respect of which they desire men or women. It is expected that this type of information and service will be increasingly required as demands of industry for men and women develop.

6. In Ontario, 636,400 males; 20,210 females; other provinces not yet available.

7. In Ontario, 556,500 males; 318,880 females; other provinces not yet available.

ARMY BAKERIES IN MILITARY CAMPS

Mr. COCKERAM:

1. Has consideration been given to the establishment in all military camps, of army bakeries?

2. What would be the saving, if such bakeries were established?

Mr. RALSTON:

1. Yes.

2. Nil. The estimated loss per 1 lb. of bread per day is 00·03 cent.

CALGARY HIGHLANDERS PAYMASTER

Mr. JOHNSTON (Bow River):

1. Is Mr. Andrew Davidson of Calgary, Alberta, paymaster of the Calgary Highlanders?

2. If so, what pay and allowances does he receive in this capacity?

3. (a) Does the appointment permit of other civilian activities or (b) is it a full time job?

4. Is the said Mr. Andrew Davidson mayor of the city of Calgary and member of the Alberta legislature?

Mr. RALSTON:

1. Yes—of the 2nd Battalion, Calgary Highlanders (reserve formations).

2. Pay and allowances of rank, viz., $5.20 per diem while undergoining training with his unit.

3. (a) Yes. (b) No.

4. Yes.

NATIONAL DEFENCE HEADQUARTERS STAFF

Mr. COLDWELL:

1. What are the names, ranks, (a) present pensions, (b) last position in the Department of National Defence, and (c) reason for retirement of all commissioned officers at national defence headquarters who have been retired since July 1, 1939?

2. What are the names and what is the present relation to the Department of National Defence of all holders since July 1, 1939, of the following posts: (a) chief of the general staff; (b) adjutant-general; (c) quartermaster-general; (d) master-general of the ordnance?

Mr. RALSTON:

1. Colonel (Honorary Brigadier) J. L. Potter, R.C.A.M.C. (a) $4,219.40 per annum. (b) Director General Medical Services. (c) Age limit.

Major (Quartermaster) J. W. White, R.C.A.M.C. (a) $2,489.21 per annum. (b) Quartermaster, Central Medical Stores. (c) Physically unfit.

Lieut.-General E. C. Ashton, C.B., C.M.G., V.D. (a) $6,891.50 per annum. (b) Inspector-General for Central Canada. (c) Physically unfit.

Captain R. R. D. Day, R.C.O.C. (a) $2,465 per annum. (b) Branch of the Master-General of the Ordnance. (c) Physically unfit.

2. (a) Major-General H. D. G. Crerar, D.S.O. (Present holder of appointment).

Major-General T. V. Anderson, D.S.O. Inspector General of the Military Forces in Central Canada and in addition to the duties of the appointment will carry out such other inspections as the Minister of National Defence may require.

(b) Major-General B. W. Browne, D.S.O., M.C. (Present holder of appointment).

Major-General H. H. Matthews, C.M.G., D.S.O. Died

Major-General H. F. H. Hertzberg, C.M.G., D.S.O., M.C., Commandant, Royal Military College.

(c) Major-General E. J. C. Schmidlin, M.C. (Present holder of appointment).

Major-General H. F. H. Hertzberg, C.M.G., D.S.O., M.C. Commandant, Royal Military College.

(d) Mr. V. Sifton. (Present holder of appointment).

Major-General W. H. P. Elkins, C.B.E., D.S.O. General Officer Commanding-in-chief, Atlantic command.

Mr. P. A. Chester. No longer with the department.

CHARLOTTETOWN, P.E.I., GRADING AND PURCHASING DEPOT—CANNED LOBSTER

Mr. HATFIELD:

1. How many cases of canned lobster were handled during the 1940 season through the government grading and purchasing depot at Charlottetown?

2. How many cases were passed in each of the following grades: (a) grade A; (b) grade B; (c) grade C; (d) grade C minus?

3. What was the total cost of operating this depot?

4. What were the names of each person employed in the operation of this depot?

5. What was the amount of salary, allowance or other remuneration paid to each such person?

Mr. MICHAUD:

1. Total number of cases received, 2,556. Acceptances, 250; Graded, refused by packer, 880; Rejections, 1,426.

2. Grade "A", nil; Grade "B", nil; Grade "B minus", 100 cases; Grade "C", 100 cases; Grade "C minus", 50 cases.

3. $1,774.63.

4. W. H. Tidmarsh, Depot manager, R. L. Huestis, Warehouseman. Peter McAleer, Labourer. Clara Shaw, Clerk.

5. W. H. Tidmarsh, $1,025.81. R. L. Huestis, $346.67: Peter McAleer, $58.45. Clara Shaw, $4.50.

ALASKA HIGHWAY

Mr. HANSELL:

1. Has the route of the proposed United States-Alaska highway been decided?

2. If so, through what province will the highway mainly run?

Mr. MACKENZIE KING:

1. No.

2. Answered by the answer to No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SENATE AND HOUSE OF COMMONS—MEMBERS IN ACTIVE SERVICES AND RESERVE FORCES

Mr. MacKINNON (Kootenay East):

1. How many members of the Senate and of the House of Commons are serving, (a) in the active services overseas; (b) in the active services in Canada?

2. How many members of the House of Commons are serving in the reserve forces in Canada?

3. How many members of the House of Commons and of the Senate saw service in the last war?

EMPLOYMENT OF HALES ROSS

Mr. SHAW:

1. Is one Hales Ross of Edmonton, Alberta, employed by the Department of National Defence or any other department of the government?

2. If so, in what capacity is he employed?

3. What rate of salary or commission does he receive?

DENTURES FOR CANADIAN FORCES

Mr. BOUCHER:

1. How many sets of artificial dentures have been ordered for or on account of the Canadian Dental Corps since the outbreak of war?

2. What is the total cost of such artificial dentures?

3. From what firm or firms have these dentures been ordered?

4. On what dates were such orders given?

5. How many such sets have been supplied to members of the Canadian forces, army, naval and air?

Mr. RALSTON: Stand.

Mr. CASGRAIN: Order for return.

Mr. HANSON (York-Sunbury): Well, when one minister says "stand" I submit another should not give some other direction.

Mr. RALSTON: In this particular instance I believe my colleague the Secretary of State is right. Information would be required from three different ministers.

Mr. SPEAKER: Order for return.

PURCHASE OR LEASE OF BREWERY PROPERTIES

Mr. McGREGOR:

1. How many properties formerly used for brewery purposes have been purchased or leased by the government of Canada since the beginning of the present war?

2. From whom were they purchased or leased?

3. For what purpose were they purchased or leased?

4. What was the purchase price or lease-rental for each property?

5. Who are the officers of such companies who made the sales or leased any such properties?

BUSINESS OF THE HOUSE

INQUIRY AS TO LEGISLATIVE PROGRAMME FOR THE SESSION

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): On February 17, the day on which we met, in reply to a question of mine the Prime Minister promised to indicate to the house in the course of a day or two the measures which were likely to come up at this session. So far as I have been able to observe the Prime Minister has not done this. I should like to ask him if he would take an early opportunity to set forth in some detail the proposed legislative programme for this session. This information is not important to myself, but I am sure it would prove helpful to a lot of the members in making future plans.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall be only too pleased to give my hon. friend the information he has asked for at as early a moment as it may be possible to give it with a completeness likely to be of help to hon. members. The reason I have not replied up to the present is that I did indicate at the time the question was first asked that I anticipated that the measures to be introduced this session would be confined almost exclusively to financial measures having to do with the war, the War Appropriation Act, the budget and supply. Outside of these I do not know of any other measures of importance likely to be proceeded with beyond those already appearing on the order paper.

It is possible that there may be some legislation with respect to the St. Lawrence waterway project, but up to the present time no agreement has been finally reached. Therefore, I am not in position to say when that particular measure will come before the house. Perhaps this will answer my hon. friend's question immediately, parliament has before it at the moment, so far as I am in a position to know, with the exception mentioned, the legislation of importance for this session.

PRAYER FOR VICTORY AND PEACE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I note that His Majesty the King has proclaimed March 23 as a day of prayer for victory and peace. Will the Prime Minister (Mr. Mackenzie King) indicate whether a similar proclamation is to be made in Canada?

Right Hon. W. L. MACKENZIE KING (Prime Minister): On a previous occasion when I saw that His Majesty the King had made a proclamation for a day of prayer in the United Kingdom, I thought it would be most appropriate if a similar proclamation were made here. I shall be only too happy to recommend to my colleagues that a similar course be adopted in Canada with respect to his majesty's present proclamation.

BUSINESS OF PARLIAMENT

REDIVISION OF WORK OF COMMONS AND SENATE TO MEET WAR CONDITIONS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to inquire of the Prime Minister (Mr. Mackenzie King) if the government will consider, in view of the gravity of the war and the present financial situation, appointing a committee of this house to meet Their Honours of the other chamber to consider a reallocation or redivision of the work of the two houses. The other house has adjourned for a further two weeks, and yet we have an extensive legislative programme to consider. In Washington and London the other houses are cooperating and doing a great deal in connection with war work. I brought up this matter in 1940, as reported on page 1918 of *Hansard* of that year, and before that in 1939, as reported on page 1471 of *Hansard* of that year. On both occasions the Prime Minister said that the matter would be given consideration.

I realize how busy the members of the government have been, but there are many learned gentlemen in the other house as well as former members of this house and I am sure that that house could relieve the Commons of a lot of work. Last session the other house could have handled the questions having to do with subversive elements and enemy propaganda and all that kind of thing. There are many fine members of parliament in the other place, and I ask the Prime Minister to consider this matter and give us a reply.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The question asked by the hon. member for Broadview (Mr. Church) has been asked on previous occasions by himself. As he said, I previously replied that the government would carefully consider the matter to which he has referred. The government has considered this matter repeatedly. The leader of the government in the senate has brought up the subject time and again in meetings of the cabinet. He did so only a few days ago with regard to the work of the present session. The answer which I have just given to the leader of the opposition (Mr. Hanson) as to the legislative programme for this session answers at least in part the question the hon. member has asked. The important measures to be considered this session are all financial measures, the War Appropriation Act, the budget and supply, and in the nature of things all of these measures must originate in this house. They cannot reach the senate until this house has disposed of them.

If there were other measures contemplated I would say that the government might consider having them introduced in the senate, unless there was some special reason why they should first be introduced here. For this session the government is refraining from bringing down many measures which ordinarily we would wish to bring down simply because we desire to have the attention of the house concentrated as exclusively as possible on matters pertaining immediately to the war.

There is nothing to prevent the Senate taking any course with respect to its own proceedings which it may deem advisable. I agree with the statement of my hon. friend that there is great talent in the membership of the other house, but it is for the hon. members there to control their own business and to decide in what way they can through their membership render the greatest service to the war effort. My hon. friend has suggested a conference between the members of the two houses. I doubt that that method of procedure would be helpful at this time, for the simple reason that the government itself must decide how its business can best be advanced. Having carefully reviewed the situation we have felt that for the present session at all events we must hold to the particular course outlined, without placing restrictions either on this house or on the other, in order to make the most rapid headway we can with government measures.

TRANS-CANADA AIR LINES

ACCIDENT AT ARMSTRONG—QUESTION AS TO AIRPORT PERSONNEL

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, I should like to address a question to the minister of transport, as to whether Emil Kading, a German enemy alien who, according to the Canadian press dispatch, was on duty at the airport at Armstrong, Ontario, on February 6 when a Trans-Canada Air Lines plane crashed killing twelve persons, is still in the employ of Trans-Canada Air Lines.

Hon. C. D. HOWE (for the Minister of Transport): Mr. Speaker, I consider this to be an unnecessary question. If my hon. friend has read the report of the coroner's jury he will have seen that it was amply demonstrated, and was in fact stated by the coroner, that Mr. Kading had nothing whatever to do with the accident. Mr. Kading is a naturalized Canadian, and to bring his name up in the House of Commons in this way is I think very unfair to that gentleman, who has been a loyal and efficient officer of the Trans-Canada Air Lines for a considerable period.

Mr. BRUCE: He has been naturalized only four years.

THE WAR

POSITION IN THE BALKANS—PROTECTION OF CANADIAN NATIONALS IN BULGARIA

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, yesterday my hon. friend the leader of the opposition (Mr. Hanson) referred to a lady from his province of New Brunswick who for a number of years had been residing in Sofia, Bulgaria. He asked that some steps be taken, if possible, to protect the interests of Canadian nationals in that country. As my hon. friend said, he had personally mentioned the matter to the Under Secretary of State. The course taken by the Under Secretary of State was the one which I indicated I thought would have been taken. A communication was sent to our high commissioner in London to bring the matter to the attention of the foreign office with a request that the foreign office would communicate with the British minister at Sofia asking that particular attention be paid to the circumstances in Bulgaria of the lady he has referred to. May I say to my hon. friend that I have also ascertained that great efforts have been made for some months past to have this particular lady leave Bulgaria as it was known that she was an important person and it was feared that her finances might suffer if she remained there, but apparently it has been very difficult to persuade her to leave.

MUNITIONS AND SUPPLY

PURCHASE OF LANDS IN SCARBORO AND PICKERING TOWNSHIPS

On the orders of the day:

Mr. J. H. HARRIS (Danforth): Mr. Speaker, I should like to ask a question or make a suggestion to the Minister of National Defence (Mr. Ralston). In view of the fact that the return made to an order of this house with regard to the purchase of certain lands stated that the department had no information and that a supplementary return subsequently filed contained the information that the land had been acquired, would the minister feel disposed to amend the interjection he made yesterday, at page 1269 of *Hansard*, at the bottom of the page, that the hon. member for Danforth was still tilting at windmills?

Hon. J. L. RALSTON (Minister of National Defence): No, Mr. Speaker; my hon. friend is wrong about that. My suggestion that he was tilting at windmills was with regard to his statement that no information of any kind was being furnished. My hon. friend is quite right in stating that the return to which he referred indicates that the department concerned—not my department—had purchased land, but I still suggest to my hon. friend that that one particular instance does not indicate that there is any general attitude on the part of the government or anyone on this side of the house to refrain from giving any information.

Mr. HARRIS (Danforth): And no indication that the member for Danforth was tilting at windmills.

SHORTAGE OF NATURAL GAS IN WESTERN ONTARIO FOR DOMESTIC USE

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): May I draw to the attention of the Minister of Munitions and Supply a situation that is serious in some parts of western Ontario and ask whether something cannot be done about it. Representations have been made to me over the week-end and during this week with respect to the very low supply of gas in

many municipalities of western Ontario, attributed to the fact that munitions factories are taking such a large supply. The situation is really serious. Is the minister in a position to make representations to the industries which are increasing their demands for gas, with a view to getting them to substitute coal or artificial gas? I bring the matter to his attention in order that he might have consideration given to it by his department.

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I wish to thank my hon. friend. The subject to which he referred has been giving us a good deal of anxiety for some time. A good many processes in the munitions plants, particularly annealing processes, are dependent on a supply of natural gas. We have tried to meet the situation as best we could. We have, for instance, relaxed the regulations on the use of fuel oil, and are using fuel oil as much as we can to replace gas in these manufacturing processes. I have also been in consultation with the provincial government on the matter for some months. It is a difficult situation but we are trying to deal with it as fairly as we can for the benefit of the domestic users.

PENSION ACT

APPLICATION TO CERTAIN MEMBERS OF CANADIAN AND UNITED KINGDOM FORCES

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) moved the second reading of Bill No. 17, to amend the Pension Act.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, before the motion carries would the minister be good enough to make a statement covering the whole bill—this is by way of a question—and is it his intention to refer the bill to a committee? I think he said so the other day, but I should like to have that made clear.

Mr. MACKENZIE (Vancouver Centre): I did make a statement on the first reading with reference to the general principles of the bill and stated then that it was the intention immediately after the second reading to refer the bill to the special committee of the house which was appointed the other day.

In general the amendments contained in the bill place in statutory form certain orders in council which have been passed by the government during the last twelve or fourteen months. There are also certain changes with reference to administration and with reference to Canadians serving in the imperial forces, and other changes of minor importance. Every section of the bill will be carefully examined by the special committee of the house; therefore I do not think it is necessary at this stage, when we are concerned with the general principles of the bill, to make any further explanation.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, the Minister of Pensions and National Health has just stated that it is the intention of the government to refer this bill to the special committee which was appointed the other day to consider questions of interest to ex-service men. If Bill No. 17 were merely a bill containing more or less routine amendments to the Canadian pension law, perhaps there would be no need to discuss it further at this stage. But it is of more importance than that, of more importance than the minister himself has just indicated, because it lays down principles to be followed in the treatment of men of the new fighting forces who suffer disability, and the principles to be followed in the treatment of their dependents.

The approach to this whole question on the part of the Canadian people and the members of this house certainly is that at least as much consideration as the men of the last war received should be shown to the men who are serving in the present fighting forces of Canada; and that any changes in the Pension Act should be of a type which will give these new soldiers, airmen and sailors at least as much consideration as the fighting forces of the old war have received at the hands of different parliaments of Canada.

I was astonished, on receiving this bill yesterday for the first time, to find that, while in some respects it gives additional consideration to our fighting forces, in most respects it restricts their rights. It is tightening up not only on the soldiers of the last war but on the men who are in the fighting forces at the present time. To me it smacks of officialdom. Throughout it I can see in different sections the deft touch of departmental officials, and I think that the house should realize that fact before this bill is sent to committee. I propose to-day to give several instances supporting the statement I have made.

For example, if hon. members will look at page 5 of the bill, at the top of the page they will find subsection 2 of section 11 of the Pension Act. The amendment is a departure in Canadian pension law, something entirely new, and something which restricts in a great degree the rights of these fighting men. It provides that men serving in Canada cannot receive pension for disability, nor can their dependents receive pension in the event of their death, unless the injury or disease "arose out of and was directly connected with such military or war service." In practice this

means that it is almost impossible for a member of our forces who is serving in Canada, not having yet got overseas, or his dependents, to obtain a pension, because it must be shown that the injury or the disease was caused directly by the service; it must have been directly connected with the performance of military duties. The proof of my statement is found in the small number of men who have been able to receive pension. The minister told us the other day that 10,829 men of Canada's fighting forces, exclusive of the air force—for which he promised to get me the figures; I do not know whether they are yet available—have been discharged from the fighting forces as physically unfit, and of that number only 484 have been able to establish claim for pension. This includes, of course, dependents receiving pension in the case of the death of the fighting man. That works out at a percentage of about 4·4 of the number of men who have been discharged as medically unfit. In other words, only 9 men in every 200 have been able to qualify for pension. This is largely because of this restrictive provision which we now find in the Pension Act and which has been used, in the shape of an order in council, for the last nine or ten months.

Mr. CHURCH: What about the fifty-four soldiers who have been killed on the highways by hit-and-run drivers?

Mr. GREEN: I will leave my hon. friend to deal with that. He has spoken of it before, and spoken very well.

This situation shows that there is something wrong with the pension provision for men serving in Canada. They have been given a far more thorough medical examination than recruits in the last war, and yet we find that only 4·4 of those discharged as medically unfit are able to qualify for pension. I suggest to the house that this change in the basis of awarding pensions to Canada's fighting forces must be given careful consideration, because if we carry on under the new provision which the government now proposes, great hardship will be suffered, as the years go on, by the men who are disabled in the fighting forces and by their dependents.

Another instance of restricting the rights of the men in the forces will be found on the same page of this bill, in section 7, which enacts a new section 13 of the Pension Act. That section deals with what we call the dead-line. Hitherto, at least since the special committee met in 1936, the position has been that if a man served in the last war in Canada or England only, he or his dependents could not apply for a pension after the first day of July, 1936. There was a further provision

that, in the case of a man who served in an actual theatre of war, application could be made up to the first day of January, 1942. Originally, I believe, the date was January 1, 1940, but it has been extended until now it stands at the first of January, 1942. Time and again returned soldier members in this house have asked that the government remove that dead-line entirely, so that a man who served in a theatre of war would be able to apply for a pension whenever he broke down, regardless of whether it was before or after the first day of January, 1942. One reason for the demand was that thousands and thousands of Canadian soldiers who were wounded in the last war are not yet in receipt of pension; as they grow older many of them break down, and it was felt that there should not be a dead-line with respect to applications by such men. However, the government insisted that the dead-line stand as the first of January, 1942, and now, in this bill, the dead-line remains at that date.

The provision regarding men of the new fighting forces is even more drastic. It will be found on page 6; it provides that in the case of a man serving in the present war, no application for pension will be received after seven years from the date of his discharge. If that same provision had been in the Pension Act after the last war, men would have been cut off in 1925; under this provision, seven years after a man is discharged he will be out of luck, he will not be able to apply for a pension. There is not even a proviso to that subsection such as partly protects the man who served in an actual theatre of war in the last war; in his case the pension commission have discretion to hear the application after the dead-line is reached, but under this new provision for the men of the present fighting forces, the pension commission have no discretion to grant such special leave.

This new provision is copied from the pension legislation of Great Britian. As every member of this house who has had anything to do with returned soldier problems knows, the British are far more strict in their pension laws. It has been a great deal more difficult to get a pension there than in Canada. They have many more men to consider, men scattered all over the empire, and they have been hard-boiled in dealing with their veterans. Under this section the Canadian government proposes to be just as hard-boiled, and that, I suggest, is contrary to the wish of the Canadian people, contrary to the wish of the members of this house. It should not be embodied in our pension legislation.

Another example of hedging in these men will be found in the treatment of widows under this amending bill. Hon. members will

find it at page 11 of the bill. There has been a demand from all parts of Canada during the last few years for an extension of pensions to various classes of widows, and I think a great deal can be said in support of the contention that these women should be receiving more consideration. But we find that there is nothing in this bill to give them that further consideration. There is no extension whatever of their rights; and as for the widows of men who lose their lives in the present war, they are further restricted in that they can get a pension under the provisions of section 16 of the bill only if they were married to the pensioner before he was granted a pension. Otherwise they cannot qualify. That is a narrower clause than we have in our Pension Act as it stands at present.

There is also a good example of tightening up on the part of departmental officials to be seen in subsection 4 on page 11 of the bill, where it is provided that if a woman has been separated from her husband she can get a pension upon his death only if she has been receiving alimony. Previously the law said, if she had been awarded alimony. There are many cases in our courts in which a woman is awarded alimony but does not receive it. In other words, she gets judgment but cannot collect. This section has been changed so that although she may have been awarded alimony she cannot get a pension on her husband's death unless she has been actually receiving it. It is an example of departmental tightening up.

At the bottom of page 11 there is the provision dealing with pension to a widow whose husband has died of his pensionable disability. At the present time the widow of a pensioner who was wounded in the last war can get that pension provided she was married before he was granted pension or before the first of January 1930, which of course was twelve years after the war. Under this bill the widow of a member of our new fighting forces cannot get the pension unless she was married to the pensioner at the time he was granted pension; in other words, no provision is made for the case of marriage within a period of years after the war.

The sum and substance of the provisions for the widow of a pensioner is this, that if the pensioner marries after he has been granted pension and then dies, upon his death his widow will be cut off. The result will be that in a few years' time there will be hundreds of widows of men now serving in our fighting forces coming to us and asking for more consideration and they will be quite right in doing so. Provision should be made for them in this bill. At any rate, discretion should be given to the pension commission to award a pension to the widow even though she was married to the veteran after he had received his pension.

Another restriction has reference to the wife. From time to time each one of us gets complaints about these cases, and as hon. members know, there is no allowance payable for the wife of a soldier who served in the last war, if they were married after May 1, 1933. That was introduced in 1933 as an economy measure. It was unjust at that time but it has been continued ever since. Complaints have been made in the house but nothing could be done about it. The bill introduces a provision, to be found at page 16, that unless the new soldier and his wife have been married within a period of ten years after the termination of the war no allowance will be paid for the wife. There is the same restriction with respect to children. In other words, the children of our fighting forces who are lucky enough to be born within ten years of the war will receive an allowance. Any children born after that date will not. That is unfair. There is no reason for it. All the children of a pensioner should be entitled to the allowance, and none should be cut off at a date which is arbitrarily set.

This morning I had a letter from a veteran of the last war living in Manitoba, in the riding of the hon. member for Dauphin (Mr. Ward). He says:

> Can there not be some provision made so that an honest man can be provided for to the end that all married pensioners or veterans are afforded the same benefits of the pension act?

There is another restriction to be made in the act in the change that is being brought about in the appeal board. Hon. members will find it at page 15 of the bill. When soldier questions were considered by the special committee in 1936, the veteran at that time had the right to apply first of all to the pension commission, then to be heard by a quorum of two members of the pension commission—they sat in different parts of the country, saw the man and heard evidence—and finally he had the right of appeal to the pension appeal court, sitting in Ottawa and consisting of three men. Subsequently that was changed and to-day the veteran applying for a pension has the right, first of all, to what is called a first hearing, which is really not a hearing at all but a first consideration by the pension commission in Ottawa—all done by correspondence. Then, if his application is rejected, he has the right to a second hearing, which again is merely consideration given at Ottawa. Then he has the right of final appeal, to an appeal board, which sits in different parts of the country, for example in

Halifax or Vancouver. The veteran can go before that board of three men, take his witnesses with him and have a proper hearing; and he derives great satisfaction from being able to tell his story to those three men. Now under section 22 of this bill the government proposes to cut that final appeal board down from three men to two; and section 23 goes on to provide that in case of a split verdict, in case one member of the new board is for the soldier and one against him, the decision will be made by a man sitting here in Ottawa, a commissioner appointed by the chairman of the pension commission.

Mr. HANSON (York-Sunbury): Who did not hear the appeal or see the witnesses.

Mr. GREEN: Who did not hear the witnesses at all and did not hear the ex-serviceman's story, but who sits here in Ottawa and looks through a file. That is not good enough. Certainly it is one of the provisions of the bill which should not be retained. Nothing will do more to stir up the veterans across the country than to have some man here in Ottawa given the power to throw out their application for pension on a final appeal.

There are some provisions of the bill which are helpful. One in particular will be found on page 13: I refer to the provision for extending the Pension Act to cover Canadians who serve in the Royal Air Force or the Royal Navy. But it also is too restricted. The hon. member for Wellington South (Mr. Gladstone), when the resolution which preceded this bill was under consideration, brought out the fact that those young Canadians who enlisted in the Royal Air Force before the war broke out cannot get pensions under the act. Under these amendments the only airmen who can benefit are those who have enlisted in the Royal Air Force since the war started; it does not cover those who went to England in 1939 or 1938, or the other years preceding the war. I suggest that the bill should be extended to cover those cases.

I mention these instances in the hope that consideration will be given to them not only by hon. members who happen to be on this special committee but also by all other hon. members. I say that this bill is fundamentally wrong, because the whole tendency is to be "tough," to be just a little tougher than before on the men in the fighting forces. That means that if parliament enacts this bill in its present shape it will be "tough" with the very Canadians who should be receiving the most consideration at the present time.

Mr. J. G. TURGEON (Cariboo): With some of the statements made by the hon. member for Vancouver South (Mr. Green) I am in agreement. I refer especially to the sections of the bill which deal with widows, and to certain features of section 5 with regard to men injured in service after May 21 last.

It is not my intention to deal with these matters now on the motion for second reading, because I think they can best be discussed in the special committee that has been set up. After the bill returns from the committee with any recommended amendments, the house can better deal with it.

I think this country is fortunate in having as minister in charge of pensions one who for many years before he came to this parliament was dealing with the matter of pensions on behalf of soldiers, or their wives and dependents, because of injuries received during the war. I commend this bill, on general principles, to the house, on the understanding of course that favourable consideration will be given to any amendments which may be proposed by the special committee.

Mr. CLARENCE GILLIS (Cape Breton South): In view of the fact that a special committee has been appointed to go into this question it may appear to be a waste of time to discuss just now the matters brought up by the hon. member for Vancouver South (Mr. Green). I do wish, however, to take this opportunity of saying that I have had some experience with pension matters during the past twenty years and I am entirely in agreement with the statements just made by that hon. member. There is no need for me to repeat what the hon. member has said. I agree that the select committee will have a certain duty to perform, but the bill contains certain provisions and principles with which I am not in agreement, and if it is given second reading as it stands and goes to the special committee, we can be reasonably sure that it will come back in the same form.

I see the bill in this light, that it is an indication of the considered policy of the government as to the manner in which pensions should be dealt with at the present time; and the committee will naturally be guided by the Minister of Pensions and National Health. In addition, the members of the government party constitute a majority of the committee.

I am assuming that the bill embodies the policy of the government, otherwise it would not be here in this form; it is reasonable therefore to suppose that that is exactly what will come out. What I am concerned with at the moment is that it is clearly shown by the amendments that the insurance principle, or "incurred during service" principle, is being

practically eliminated in several clauses, and that the man who enlists for service in Canada only is discriminated against. In the last war the man who saw service in Canada only was included in the pension provisions and had exactly the same opportunity to qualify as the man who served overseas, if he incurred a disability while on military service. The bill as amended very definitely sets out in clause after clause, and underlines it, that the disability must have been incurred on war service. The trainees who are being called up at the present time find themselves in this position: They have the option of volunteering for service overseas. Many perhaps will not feel inclined to volunteer; they may believe that their service can be better rendered in this country. As the bill stands it may be construed as a lever to induce a man to volunteer for overseas service. This principle, the insurance principle or "incurred on service" principle, was dealt with exhaustively in 1921 under a commission headed by the present Minister of National Defence (Mr. Ralston). After considerable inquiry by that commission it was held in 1921 that the original intention of parliament was to protect all members of the forces with respect to any injury or disease incurred during the period that they wore the king's uniform. Those with service in Canada only received the benefit of this protection during the great war. There is no valid reason why any discrimination should now be introduced against those who serve in Canada only.

There are many things I should like to see included in the bill. Among all the grievances with regard to pensions which in the past twenty years have been aired there is one which, in my opinion, should receive special consideration in the bill before the house. I refer to the service of nursing sisters. In the last few months I have carried on a correspondence with the Department of Pensions and National Health concerning a nursing sister who saw service in France from 1917 to 1919. To-day, completely disabled, she receives only a small stipend under the provision for war veterans' allowances. This sister considers herself as a recipient of charity. She feels she is entitled to a pension by virtue of her service. But because her documentation or her files are not as they should be, or because they do not agree with her version of her disability, it has been declared that she is not now eligible for pension. Arrangements have been made to have her case heard by a tribunal.

In my opinion the act should deal specially with nursing sisters. Any girl who volunteers her services to her country and serves her time in hospitals overseas, any girl who serves in an actual theatre of war, who goes through bombing raids and all the horrors connected with surgical operations performed under difficult circumstances in military hospitals, regardless of whether she has been actually wounded or seriously ill, in my opinion suffers shock to her nervous system. The fact that she has gone through a couple of years of that kind of life has left its mark on her. The fact that she volunteered her services and actually served in a theatre of war should entitle her to pension, regardless of whether or not she has the required documentation. The fact that she did her work and that she is not now in a position to earn a livelihood ought to be sufficient to entitle her to the pension. Many of the women who served during the last war sacrificed practically everything that a woman values in life. Many of them continued their services in military hospitals after the war. Many of them never married. Specific provision should be made in the Pension Act for women who render service of this kind.

The Minister of Pensions and National Health will recall that about a month ago I wrote him respecting a man who had gone from Sydney, Nova Scotia, to England, on a convoy ship, leaving a family in Glace Bay. Shortly after landing at Liverpool he was killed during a bombing raid on that city, and his wife was left destitute. The landlord threatened to throw her out on the street. I went to see her; she explained the circumstances, and I telegraphed the minister. Let me say right here that the minister acted promptly, and did everything he could, within the regulations. But in my opinion because of those regulations that woman is suffering hardship.

The minister explained to me that any man serving on a convoy ship of Canadian registry is protected by the Pension Act, and that under these circumstances there would be no difficulty in obtaining a pension. The procedure of convoying is undoubtedly one of the most essential in our war services at the present time. It is also very dangerous. A large percentage of the ships plying between England and Canada to-day are of British or foreign registry. Only a small minority are of Canadian registry. In the instance to which I have called attention the ship was of British registry. The minister has communicated with the British representative in Canada, and is carrying on negotiations with a view to having the woman pensioned. However, this condition developed two months ago, and the woman is now receiving relief from the city. So far there has not been any pension adjustment. In my opinion it is not fair to those

who are suffering that they should have to depend on the British government, under present circumstances, to take care of such cases. While I have mentioned only one, we know that more may arise at any time. Regardless of a ship's registry, any Canadian operating on a convoy from a Canadian port should receive the protection of the Canadian government, and his dependents should be in a similar position. This is not a British war; it is an empire war, and we are all engaged in it. The government of Canada should accept the responsibility of caring for the dependents of men who have been fatally injured in any phase of our war effort.

I know the minister has been working in the matter. He has done all he can toward making an adjustment, under present regulations. But in order to take care of matters of that kind the regulations should be extended. As the hon. member for Vancouver South pointed out, there are many widows in Canada to-day. Petition after petition, resolution after resolution come to us every day from different organizations asking that the regulations be extended to take care of the widows of ex-service men who cannot now be provided for.

Any man who went through the last war will agree that practically all who came back after being in the line for any considerable time returned with a certain percentage of disability. The life of any man who was in the line was shortened because of his service there. Many are widows to-day because their husbands are in premature graves. Had the proper documentation been on record, many of them would be eligible for pension. But we know that during the first year or two of the war in France records were not kept as scrupulously as they should have been, and as a result many men have been denied their right to pension.

I should like to see a provision in this measure which would take care of the situation I have described. With all due respect, I am reasonably sure the committee will recommend what is in the minds of the sponsors of the bill. We may go into committee, talk, make recommendations and all the rest of it; nevertheless I do not believe that in any material respect the bill will be changed. I should like to have the principle to which I have referred understood by hon. members before deliberations by the committee take place.

Every man who puts on the king's uniform, and who is on military service, engaged in the war effort, should receive the protection of the state while he is wearing that uniform. This is a classic example of what might happen under the legislation as it now stands. A man who meets with an accident while on leave, and not connected with his military duties, cannot claim pension. For example, let us suppose that the leader of the opposition and I are in the same unit. I am going on leave, and I am not subject to the performance of military duty while I am on leave. The leader of the opposition, we will suppose, is driving me to the station. There is an accident and we are both killed. The widow of the leader of the opposition would be entitled to pension, and mine would not. Because I was off duty and going on leave, my wife and dependents would be deprived of pension, under the regulations as I understand them. This is a condition which should not exist. While one is wearing the king's uniform he and his dependents should be entitled to the protection of the state. Many things may happen to one who is on service which may not happen to one who is not on service.

I am interested in this matter because in the past I have had some experience with pensions. At the moment that is all I have to say.

Mr. A. G. SLAGHT (Parry Sound): Mr. Speaker, in my view a number of the matters brought to the attention of the house by the hon. member for Vancouver South (Mr. Green) should receive most careful study in committee. I am not a member of the committee and in my view this is not the time to go into details, particularly since my colleague, the hon. member for Cariboo (Mr. Turgeon), has expressed to the house the exact views which I entertain in regard to this matter.

Mr. P. E. WRIGHT (Melfort): Mr. Speaker, I agree with the hon. member for Vancouver South (Mr. Green) and the hon. member for Cape Breton South (Mr. Gillis) that this bill is very restrictive in its nature. I think there will have to be a few changes made when it is in committee.

Another point which I should like to bring to the attention of the house is this. I refer to a principle which is being carried forward from the old act. At this time I think we should have an equalization of pensions. Under the old act, men with the rank of lieutenant or under receive $900 for a total disability, while a brigadier-general receives $2,700 for a total disability. The widow of a man of the rank of lieutenant or under receives $720 while the widow of a brigadier-general receives $2,160.

This war is entirely different from the last war. Our forces have been highly mechanized and many of the non-commissioned officers and other ranks must have mechanical exper-

ience. I believe such men are entitled to a pension equal to that paid to higher ranks. This principle was agreed to by the former Minister of Pensions and National Health (Mr. Power) in 1936. A question was asked with regard to hospitalization and the then minister replied as follows:

> That is to say, a private soldier was placed on pay and allowances approximately equal to those which he received as a private soldier in the army, and a general or colonel was placed on the pay and allowances of the rank which he held in the army. The divergence has always appeared to me to be pretty wide, and after considerable study the officers of the department and myself came to the conclusion that perhaps at this time, twenty years after the war, we should not perpetuate the system of pay according to rank which existed during the war.

This difference in pensions paid to the different ranks was a carryover from the British system. I believe we could very well change the legislation to provide an equalization of pensions to all members of the forces. I do not mean that there should be a reduction in the total amount paid, because the saving achieved could be used to raise the schedule of the lower pensions. A pension of $900 for total disability is quite small. The cost of living in this country has been rising continually and will continue to go up after this war. This is something which the house should decide and give instructions accordingly to the committee. Most of those from the higher ranks go into protected occupations after serving where their disabilities are not of as great disadvantage as similar disabilities suffered by men who have served in the lower ranks. For instance, a man who is a bricklayer by trade and who loses his leg finds that disability much greater than a man who works in an office and is suffering from the same disability. We should consider seriously this matter of the equalization of pensions.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, as this bill is to be referred to a committee I shall be very brief, especially in view of the fact that the last time we considered such a bill it was dealt with most extensively. I have no fear that we shall not be given the fullest opportunity to make what we consider to be essential amendments to this bill. If I remember correctly, we practically rewrote the last bill in committee. The hon. member for Vancouver South (Mr. Green) raised a number of important points. He pointed out that we were changing the whole principle of certain clauses of the act in such a way that the benefits accruing to soldiers will be restricted rather than expanded. I believe that public opinion to-day is almost unanimous in demanding that the benefits of our pension legislation shall be expanded rather than restricted in any shape or form.

For instance, reference has been made to the fact that a soldier will not be eligible for pension unless he has been actually engaged in war service. I can visualize a man being given two or three days' leave and taking ill, or suffering some form of disability on the second day of his leave. Under this bill he would not be able to get a pension. I do not think the people of Canada will agree with that. No provision is being made in this bill to provide pensions for the war widow whose husband does not have a 50 per cent war disability. Ever since the last war an effort has been made to obtain some consideration for these widows. We must realize that we are not fulfilling our obligations to the men in the forces until every man who enlists is assured that when he dies his widow will get whatever pension he may have been receiving.

When a man is entitled to pension, he receives a larger pension if he is married. We thereby recognize a certain responsibility for the man's wife. Yet we say that should he die we will not assume any responsibility for his widow unless he is in receipt of a pension for a fifty per cent disability or over, or unless the widow can prove that he died as a result of a war service. Five, ten or fifteen years after a war a widow may find it impossible to furnish such proof. I have no doubt that every hon. member has a file of cases in which he has been trying to get pensions for widows and has been turned down because they have not been able to furnish this proof.

I have one reason to hope that we may be able to get more for the soldiers in this committee than we were able to obtain in the last, in that while in opposition the present minister took a very broad stand on the question of money. I have read a number of statements made by him prior to 1935 in which he took a very broad view.

Mr. GREEN: He has changed since then.

Mr. QUELCH: We will have plenty of opportunity to remind him of the stand he took. There is no excuse for saying that we cannot make these payments because there is no money available. It was admitted in the last committee that it was not a question of deciding what was due to the soldier, it was simply a question of deciding how much money we had available. It was admitted freely that we were not prepared to assume our full responsibilities to the returned men because the nation was bankrupt. The word "bankrupt" was actually used. I hope a

similar state of affairs will not obtain in this committee. When we are spending millions upon millions of dollars daily and weekly I hope we are not going to be told that we cannot find the paltry few thousand dollars necessary for this or that because the country is bankrupt. I do not think we should expect our soldiers to make sacrifices unless we are prepared to assume the responsibility of looking after their dependents after the war. We have not taken care of their dependents, and we know it.

This bill is going to a committee and I sincerely hope we shall be given every opportunity to deal with all phases of the Pension Act and the War Veterans' Allowance Act. I shall not say any more at this time.

Mr. J. A. ROSS (Souris): Mr. Speaker, as has been pointed out, we expect to be given ample opportunity to discuss this bill in committee. As the previous speaker (Mr. Quelch) has said, I trust that we shall be given an opportunity to rewrite this bill to some extent, but candidly I am not as hopeful as he is in that respect.

There are two or three things I should like to point out. First I am disappointed that in framing this bill consideration has not been given to providing for war widows and for the widows of pensioners.

Secondly, I am of the opinion that provision should also have been made for the dependents of those who die on active service in Canada. I can visualize a young man, with a young wife and a family of small children, giving up a good position to serve in our armed forces at a rate of remuneration one-third less than he received in civil life. Should he become a casualty I do not think it is fair that the whole family should become a charge on the local municipality, which in some cases would be their only recourse.

With reference to the appeal board, as was pointed out by the hon. member for Vancouver South (Mr. Green), I think it is a retrograde step that we should be appointing a board of two members instead of the three that we have had in the past. In case of disagreement the case is referred for decision to a third party who has not even heard the evidence. Surely that is a retrograde step. I trust that we may have ample opportunity in committee to rectify it, as well as many other deficiencies in the bill.

Since we are going to discuss the bill in detail in committee, I shall not take up more of the time of the house now.

Mr. A. W. ROEBUCK (Trinity): Mr. Speaker, one of the great military hospitals is located in my riding, and I suppose few members of the house have more appeals made to them on behalf of veterans or their dependents than I have. Were there any public benefit to be gained by a discussion of this bill in detail now, I should wish to be heard extensively at this stage. But the bill is going to a committee, and the subject matter is largely one of detail rather than of general character.

Somebody has said that the people of Canada do not desire a tightening-up in this matter. I think I may say that the people of Canada desire neither the one nor the other, neither a tightening-up nor a broadening-out. If there is any public opinion at all on this matter it is that the Pension Act must be not generous, not mean, not niggardly, but just. The people of Canada are prepared to discharge their responsibilities with respect to the dependents of our soldiers abroad or in Canada, but the job of making the bill just and accurate is a job for a committee and not for the house in general. Therefore, sir, I join with others in saying that we should give the bill second reading and reserve details for discussion in the special committee.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, I shall take only a few moments but I wish to say a few words about that small group of Canada's permanent army who retired prior to 1919 and were pensioned. In 1919 the government at Ottawa realized that in view of the increased cost of living the pensions being paid to long-service men of what was then known as the Royal Northwest Mounted Police and of the permanent army were inadequate, and accordingly the pensions to these men were increased in the neighbourhood of 500 per cent. I have spoken on this matter in the house before. I do not think it comes directly under this act, but undoubtedly something should be done about it. I am sure that a great many members have had this particular matter brought to their attention.

Mr. ROEBUCK: May I ask the hon. gentleman a question? Does he know that I have already applied to the prospective chairman of the special committee on this bill to have the veterans heard by the committee, and that they will be coming to Ottawa to make their representations?

Mr. ROSS (St. Paul's): They have been asked to come to Ottawa a great many times since 1935 when they had this matter up, and they have had some very pleasant things said to them. I have here extracts from letters they have received from Ottawa, and if my hon. friend wants to get into a controversy about this thing I am ready. Here is a letter from, I think, the Minister of National Defence at that time, in which he states:

In my opinion your claim is based on complete fairness. I fully sympathize with you.

Here is another letter from Mr. MacLean, of Prince Edward Island, and I have dozens more here. Here is one from the Postmaster General (Mr. Mulock). They have received all these letters but nothing has been done for them, and something must be done because the present situation is unfair to them. Let me state what some of the pensions of these men are.

Here is a man getting a pension of $17.93, and the present rate of pension for a similar case would be $93.00. Here is another one receiving $17.31, and the present pension would be $66.00. Here is another one receiving $9.99, and the present pension would be $48.00. Here is another receiving $20.60 and the present pension would be $41.81. I am bringing this matter to the attention of the house to get something done for these men. There is only a small group of them but their claims have been under consideration now for five or six years and it is time that action was taken if we are ever going to get any action at all.

There is another matter on which I wish to say something. When a soldier in Canada is on leave he is not supposed to be on duty, and if he is injured on leave he gets no pension. Under the present arrangements the only way in which many of our soldiers can travel from one place to another in Canada is by hitch-hiking. No free transportation on the railways is supplied to them, and it costs money to travel from place to place; therefore they travel in automobiles in which they seek rides. In some of the provinces, if a passenger is injured in a motor car accident he has no claim against the driver, and therefore he has no comeback. It seems to me that the government ought to do something about providing transportation for these men. Surely that could be done; or when they are on leave and travelling from one place to another, if they meet with an accident, they should be considered as being on duty. It is unfair that they should have no right to a pension if an accident happens on their week-end leave.

There is another appeal which we made in the house last year and again this year, and that is on behalf of widows. I spoke on their behalf the other day and I wish to add a few words to-day. I think the government in this bill could very easily reduce the percentage of pensionable disability so that the widow could qualify and get her pension. These widows are all getting older and many of them are in a very bad way financially. We could take this step now quite easily, and if the government do not feel like going the whole way we could at least meet the claims of these widows half way so that all of these widows might get some pension.

I am not a member of the committee but I hope the committee will make a great many changes in the bill as it stands at present.

Mr. D. K. HAZEN (St. John-Albert): A number of important suggestions have been made this afternoon concerning this bill, all of which no doubt will be given careful consideration by the committee to which it will be referred. I am not a member of the committee, and I should like to make one or two suggestions now, in the hope that they will receive attention.

The first is that this bill include a class of men who are not mentioned in it at the present time—the men who belong to Canada's merchant marine. These men face during this war, and up to the present time have faced perhaps as great danger, and probably more, than most of our fighting forces. Some recognition should be given of their services, by including them within the provisions of this bill. It could be done by amending paragraphs (i) and (j) of section 1. I do not want to elaborate on this matter, but I hope the committee will seriously consider the inclusion of members of Canada's merchant marine who have served on the high seas.

One other suggestion I would make; it has to do with section 5 of the bill, section 11 of the old act, namely, that at the end of paragraph (a) the following words be added: "while on or off duty." The last line of the paragraph would then read:

—attributable to or was incurred during such war service, while on or off duty.

Possibly after those words there might be added: "if not disobeying orders."

Mr. J. J. KINLEY (Queens-Lunenburg): I wish to say just a word or two with regard to pensions as they affect Canadian seamen. Nothing in this bill refers to Canadian seamen as such, but some time ago the government passed an order in council—a very generous order in council, I think—which says in effect that seamen and fishermen in the performance of their duties who suffer by reason of contact with the enemy shall be given the same privileges with regard to pension as are given to the active forces of the country. However, as has been brought out by the hon. member for Cape Breton South (Mr. Gillis), it appears that this refers only to Canadian seamen on ships of Canadian registry. Might I point out to you, sir, and to the house, that the number of ships of Canadian registry which travel overseas or are in the overseas trade is very

small indeed. Even the ships which are commonly called Canadian and operated by big Canadian companies are registered in Great Britain. The present limitation would restrict these benefits to a very small number of Canadian seamen and—what is worse—would leave out many who would be eminently qualified for pension.

I recall that soon after the *Jervis Bay* went down in her fight on the Atlantic, I met a young man of my town who was a member of that crew. A great many seamen along the coast of Nova Scotia are on oil tankers and on ships of every register. We must recognize that service upon the sea is a common service to all countries. Whether you are on a British ship or some other ship, you are still working for the cause of the empire; it is, as it were, a universal service which extends beyond the boundaries of any one country. Furthermore, those who were so anxious to serve that they joined a foreign ship or a ship outside of Canadian registry are in most cases serving aboard an empire ship; for do not forget that the shipping of Norway, the Netherlands and some other countries is controlled by our own empire, so that these men in reality are working under the direction of the central authority of the empire that is carrying on this war. It will cause a great deal of trouble and much suffering in my part of the country if these brave Canadians who are serving on ships on the high seas are debarred from the privilege of receiving pension from the country which they so well serve.

I am not a member of this committee, but I hope that the minister, and through him the government, will see to it that the generous treatment which they have accorded to seamen—a new departure in the statutes of this country—will be further amplified in the direction I have mentioned. Such treatment will be well deserved, and will acknowledge a service which is most vital at the present time, when a Macedonian cry has gone out for more ships, a call by the head of the British empire. We must have crews to man those ships, and those men must have the very best treatment we can give them.

Mr. THOMAS REID (New Westminster): With many of the statements and suggestions made this afternoon in connection with this bill I am in hearty accord; but, realizing that the bill can be better and more fully discussed in the committee, it is my intention to devote only a few minutes to it at this time.

I have one suggestion to make to the government. It has not been touched upon by any other speaker, and I doubt whether it has been brought forward before. We all realize that, no matter how good the bill or what fine words we place in it, unless we have, in charge of the administration of it, those who will carry out the spirit and intent of parliament, it will not operate as fully and effectively as it should.

Perhaps my suggestion will not meet the approval of many of the commissioners, or of the officer class of the army, but, as one who has taken an active part in the affairs of returned men, I say this after many years' experience. I am not casting any reflection on the present personnel of the commission; to my mind many of its members have at heart the entire interests of the ex-service men, but I am offering this suggestion to the minister, that he change somewhat the personnel of the commission and place upon it at least one private soldier. I know that in days past, when the act was being administered by men who had been generals and other high officers, they still carried with them that class distinction. I say that in all sincerity. I am of the opinion that it would help the returned man to know that his appeal was being heard by a board at least one of whose members had held a rank similar to his, a man who had been one of the rank and file. I say that without casting any reflection whatever upon any member of the present commission or of the war veterans' allowance board. I make the statement in all sincerity after an experience of something like sixteen and a half years with ex-service men's affairs.

Hon. R. B. HANSON (Leader of the Opposition): I have no intention of delaying the house with respect to this measure, but I desire to make one or two observations. The bill is necessary at this time because of certain general principles that are incorporated—the extension of "theatre of actual war" to the British isles, for instance, as contained in the section dealing with definitions; the question of the extension of "war service", as contained in paragraph (p) of the same section, and other matters. There are other features that are really objectionable, and since the bill is to go to a special committee, not to be dealt with in committee here, at least until it returns from that special committee, I take this opportunity of calling the attention of hon. members to section 4, which amends the present section 9 of the act as enacted in 1932-33, then section 10B.

Underlying that section is a pernicious principle. It is legislating a pension to a man who otherwise is not entitled to it and who—I do not know who he is or what the amount of the proposed pension is, but it must be quite substantial—has probably been

in receipt of a substantial salary for a long period of years but not quite sufficient to qualify him automatically for a pension as the law now stands.

My mind is not unduly suspicious, but I think I am right and the minister should make a statement with regard to the matter. I desire to call attention to this situation. It is exactly on all fours with a provision that appeared in the estimates of last session with respect to a high salaried official of the government who retired from the public service. The principle is exactly the same. Hon. gentlemen will recall what happened to that item in the estimates in the dying days of last session. Hon. gentlemen to my right, in what is sometimes called the rump, are entitled to a good deal of credit for what they did on that occasion. When I read the discussion I was sorry that I had gone home because I should like to have heard it.

I warn the House of Commons of Canada that this is special legislation in the interests of one individual who by law to-day is not entitled to it.

Mr. NEILL: Put it in the estimates.

Mr. HANSON (York-Sunbury): That would be coming out into the open and telling who he is and how much he is to get.

An hon. MEMBER: Who is he?

Mr. HANSON (York-Sunbury): Ask the minister; he will tell the hon. member better than I can. I have only a suspicion, but I think I know. I am not an authority; he is. Ask him. I have said enough on that to call attention to the situation. That is my duty and no more.

I assume as a matter of principle that when a bill of this sort is brought down by a member of the government, it ordinarily represents the considered policy of the government. I am disturbed to think that this is a bureaucrat's bill, as suggested, though not in those terms, by the hon. member for Vancouver South (Mr. Green). It is the settled policy of the government, for which of course it takes responsibility. Pension measures in days gone by have, of course, always been brought in in that way, but it was well understood that when they were referred to a special committee, as has been done as long as I can remember, the committee was not bound by the terms of government policy as expressed in the bill and was at liberty to make other recommendations. I was disturbed to hear the hon. member for Cape Breton South (Mr. Gillis) suggest that the committee would not be at liberty to propose, or at least that the government would not listen to, recommendations that might be brought in with regard to a change in the bill. I should like the minister to reassure the house that this is not so, that the government will give heed to recommendations of the special committee. Having regard to the responsibility which the government has, as the custodian of the public purse, the treasury, at the present time—with that limitation—I think the minister might give consideration to the suggestion that I make, that when the special committee reports on matters of principle and matters of detail, the government will give favourable consideration as far as possible within certain limitations which I will not attempt to define at present.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, my advice is that perhaps more consideration be given to the findings of the local doctor than possibly has been given heretofore. I will cite one case—I do not mind giving the doctor's name. He is an honour graduate, a gold medallist. This doctor found his patient not fit for work. He felt that there was something wrong and discovered afterwards that there was shrapnel in the man's liver. The man, however, could never get a pension. He died, and I should like to see his wife get a pension.

I must say that I have had the heartiest cooperation from Brigadier-General McDonald and his staff, and I expect good results in this case, but I suggest that the local doctor's findings are most important.

Mr. T. C. DOUGLAS (Weyburn): I do not think the statement of the hon. member for Cape Breton South (Mr. Gillis) should be misunderstood, or the attitude he took. It is generally understood that when a bill is given second reading, it means that we are accepting the principle; and while the committee who will take this bill under consideration have it within their power to suggest changes and amendments, the general principle contained in the bill will remain after it has been given its second reading in this house.

In our view that should not be the situation, because there are embodied in this bill principles which we believe should not be accepted. Not only the details and terms of the bill but also some of the principles ought to be referred to the committee. We have particular reference to the removal of the principle of insurance. Up to the present time it has been understood that from the time a man donned the king's uniform until he was demobilized he was insured with regard to becoming disabled or being killed, that there was definite protection for himself and for his dependents should anything happen to him, irrespective of where or how it happened. What we are proposing to do under this bill is, as I understand it, to draw a line, by which,

if his accident happens in Canada, a man will have to show, or his widow will have to show in the event of his death, that his injury came about as the result of his military duty. That is going to raise a great many difficult points, and there will be many borderline cases.

I have in mind a young man who was in the active service force for something over a year; he joined in September, 1939, and was discharged in December, 1940. He was fit and a good soldier. He slipped while taking a shower bath, fell and injured his spine. He was brought back to Weyburn and discharged with a month's pay. What is that man's position under this legislation? In this particular case the returned men in the district rallied round him and he was given a job in the local mental hospital, and has been able to support himself and his family.

But multiply that case by many hundreds that we are bound to have, and the department will find itself faced with innumerable difficulties. This bill does away with the covering principle of insurance and the sense of security of men in uniform. The committee should give this matter serious consideration. There may be many cases like the one I have mentioned, and that is not good advertising. Young men contemplating entering the service, particularly married men with dependents, are going to view with some trepidation the removal of the insurance principle and the bringing in of a principle which requires a man to show that his injury, or his widow to show that his death, was directly due to his military service. What the hon. member for Cape Breton South had in mind is, I think, valid, that in allowing this bill to go to the committee we are not accepting the principle of removing the insurance principle that has always existed, but we want the committee to give the matter most careful consideration and, if possible, bring in something more satisfactory.

Mr. J. H. BLACKMORE (Lethbridge): To all realistic, right-minded people this bill is positively disgusting. The principle of the bill is the principle of scarcity, under which we have worked for a hundred years. It is a niggardly, cheese-paring and restrictive measure. This government asks for a total war; it asks the people to give their all. The risks involved are tremendous. Surely the government ought to be prepared to take the risk along with the men and their wives and children. This bill is conceived and modelled in the atmosphere of reaction; it looks backward instead of forward. It ignores two fundamental facts. The first is that what is physically possible must be made financially possible; if not in this generation of blindness and lack of vision, it must in the next generation. The second fact ignored is that we are progressing into an age which will be even more an age of plenty than that in which we now live; consequently there will be more unemployment, fewer markets, heavier taxation, greater restrictions on everyone engaged in an effort to make a living. If it was next to impossible for men to make a living before they joined the forces; if they had to be content with meagre pittances such as $7.50 a month for working on a farm, how on earth are they going to support themselves when they come back from this war?

There is plenty of money to equip these men for war. There must be found money to support them as well as their dependents after the war. There are at the present time many widows of soldiers who fought in the last war who cannot get work. They are efficient women, capable of doing good work. I could name one here in Ottawa who is thoroughly qualified to take as fine a position as can be found in the civil service, and that woman cannot even get a hearing. She is only one of thousands. Nevertheless we have ministers of the crown prating about lack of men and lack of help in this country. It is disgusting. It is disgraceful. As long as we allow ourselves to be hoodwinked by such plausibility, such specious reasoning, we are unfit for the positions we hold.

There are in Canada veterans by the ten thousand who cannot get work, not because they are not qualified but because they happen to be a few years too old. What is going to be the situation twenty or thirty or forty years from now? Surely we are not going to ask people rising out of the mire of misery and poverty to risk their all, to fall back afterwards into a similar mire. There are in this country returned men's children by the ten thousand who can get no work. Under provincial laws, when a widow's child becomes fifteen or sixteen years of age the widow's allowance is cut off, the assumption apparently being that a child of fifteen or sixteen can immediately get work and thereby contribute to the support of the family. Under the present circumstances that is utterly absurd, and every hon. member knows it. Then why not face facts as they are?

To-day there are countless returned men engaged in production who cannot sell their product for enough to yield them a living. We have farmers by the ten thousand—not all are returned men but many are—who are in that state. There are thousands of manufacturers; tens of thousands of tradesmen, such as carpenters, blacksmiths, builders of

various kinds; thousands of professional men, such as lawyers, doctors, teachers and the like, returned men, who cannot by any possible means make enough to support themselves in a decent, respectable manner. They are on the verge of bankruptcy all the time. Yet this bill is apparently designed to perpetuate these abominations into the next generation. When one considers the number of provinces in this dominion which put such licence restrictions around men that it is virtually impossible for a tradesman to go out and get work, unless he happens to be able to qualify for a licence, utterly disregarding the possibility of the man's making a living, in the event of his not being able to get work at his trade, it is a disgrace to the house and to the country that in the presence of such a situation we calmly contemplate a measure like this.

If the condition has been so bad up to the present time, then I ask any hon. member: What do you suppose it will be when the men come back? Let us be realistic. Why not give a pension to all the men who go into the forces, all the men who serve? Why not remove them from the competition in work and production, unless they choose to go into that competition? This thought may startle people, but there has to be something that will startle people, something widely different from anything which has been conceived in high places thus far, and widely different from anything which has been made to prevail in this country thus far.

The question we need to ask ourselves is this: Is this Canada of ours able to produce enough food, enough clothes, enough shelter, enough education, enough culture and enough recreation to provide for the men who don the king's uniform, both while they are in that uniform and afterwards, with all the food, clothing, shelter, education, culture, and recreation they need? If that question is asked, then the answer simply must be yes. I would defy any man in this house successfully to controvert that statement.

If then it is physically possible—and it is going to be physically possible, provided we are able to defend this land—to give those men the standard of living we all know they ought to have, then why not seriously contemplate it now?

After the war we should be able to do a great deal better than we are doing to-day. If it is possible for us to produce all these goods now, what will be the condition after the war? I ask this: What are we going to do with this great amount of bacon we now are gearing ourselves to produce and to supply to Great Britain, when no longer the British people are able to take it, or when they are able to produce their own? What are we going to do with the butter, the cheese and the great amount of clothing we are now enabling ourselves to produce? Are we going to stop producing them, and let men suffer? What a piece of monstrous nonsense even to think of! What are we going to do with the great amount of manufacturing power we are building up in the production of ammunition? Are we going to dismantle the ammunition plants, and turn the men on the streets, saying to them, "We have no further need for you; go and ride the rods"? Are we going to tell them, "Go out into your cities and go on relief, so that the municipalities may keep you"? Why in the name of common sense can we not put those men to work producing food, clothing, shelter and other things, and distributing them among the people of Canada, and thus give the returned men something like a proper standard of living?

What are we going to do about the many devices being perfected during this war to speed up production? What are we going to do with the aeroplanes we shall have in such great abundance when the war is over? Are we going to use them for the betterment of our people? Are we going to use them for the betterment of the people of the world, or are we going to take them out and scrap them? Can any one contemplate the latter proposal with equanimity? If we are going to use them, then we are going to use them for some purpose of production. What are we going to do with the production? We must set ourselves to discover a new system, a new economic order, which will enable us to distribute our goods among our people. Once that is done we shall never have any more worry about supplying men with a fair standard of living. If this government cannot discover a system of distribution, then I say shame on the government, shame on every single man who occupies a cabinet position and shame on every man who sits in support of it.

Mr. MacNICOL: That is surely shame enough.

Mr. BLACKMORE: I am merely saying what is going to be echoed by the generations of the future, and what is being echoed to-day by hundreds of thousands in Canada, from end to end of the land.

This bill is a digrace to Canada. It is an insult to this house. Every member is ashamed of it. I know that, from talking with the members individually; I know the attitude they take. They are just as anxious as I am to see the returned men have a fair chance; that means they must be ashamed of this bill.

Every private member, every minister, must be mortified to contemplate this bill. If the government could not do better than present legislation such as that we now have before us, then let everyone in Canada know it, and know it now.

Let us in this house, all of us, sir, be worthy of the trust conferred upon us. Let us for once not betray Canada. Let us demand what we want. Let us be realistic. Let us decide what is physically possible in Canada, and then let us insist on what is physically possible being made financially possible, for our fighting forces.

If the present financial system be such that it must say it cannot be done, that system thereby declares its own condemnation, insufficiency, impotence, and ineptitude. It gives notice that it is no longer worthy of the respect of any intelligent community. I ask the committee to give us a bill fit to appear in a modern British legislature. I then ask the house to demand that the government make the implementation of that bill possible.

Mr. G. S. WHITE (Hastings-Peterborough): Mr. Speaker, I should like, first, to deal with the remarks of the hon. member for Vancouver South (Mr. Green). He brought out many valuable suggestions with which I am sure the committee will deal fully. I should like, too, to associate myself with the observation of the hon. member for New Westminster (Mr. Reid) to the effect that, after the bill is passed—and I think it will be a fine one when it is completed, despite the violent speech of the previous speaker—in the administration of the act, over which we as members will have no control, there should be on the board at least one man who during the war served as a private soldier.

At the last session the Minister of National Defence (Mr. Ralston) laid down the principle that all future officers in the army must come from the ranks, thereby indicating that at this late date the army recognizes the fact that the most efficient officer must come from the ranks because of his first having served as a private, having become a non-commissioned officer and having later on been promoted to the rank of an officer. Every officer who began service as a private and then served as a non-commissioned officer always understands the private's point of view. One of the great faults in connection with the administration of the Pension Act is that practically all who are in charge—doctors and other officials—never served as privates or non-commissioned officers, and therefore do not understand the viewpoint of the private soldier.

I have dealt with the pension board for twenty years. Since this war began, a battalion left

from my riding for overseas. Quite a number of men have been returned home because of illness or injuries received through bombings and things of that kind. I have made various applications to the pension board and I regret to say that, despite what the hon. member for Vancouver South (Mr. Green) has said, I have received little satisfaction, the board is already tough; quite frequently a letter comes back with two excuses: first, that the injury complained of is not due to military service and, second, that the injury complained of has not been aggravated by military service. Yet in 1939 these men passed a strict examination by a board of three doctors. They were X-rayed and accepted in category A. They went to England and within a few months or a year were returned home and placed in category D or E. Yet these men cannot obtain pensions. That is why I agree with the hon. member for New Westminster when he says that it is in the administration of the Pension Act that we are perhaps falling down.

Unfortunately, when a private soldier or a non-commissioned officer goes to the pension board, he finds that there still clings to that board a trace of the old military discipline. A distinction is made between the private and the officer. I should like to outline one case briefly. This occurred two years ago in my riding. This man, a private soldier, suffered a recurrence of a serious wound which he had received over twenty years ago. The local medical doctor in the pension department sent the man to the Kingston general hospital, where a small number of rooms are reserved for military patients. He was attended by one of the leading physicians in Kingston; he was dangerously ill and it was a question whether he would live. The doctor in charge gave instructions that he should be placed in a private room and be provided with a private nurse because he was delirious much of the time. He was moved to a private room and furnished with a private nurse, but when it came time to pay for this service he found that he had to pay the money out of his own pocket. The total amount paid to the Kingston hospital was $79.50.

I took up the matter with the pension board, and the administrator told me himself—this is not hearsay—that under the regulations as they stood at that date there was no provision for a private soldier to be furnished with a private room in a hospital and a private nurse. I asked him if he considered that a private soldier was not of sufficient importance to Canada to be entitled to a private nurse when his life was in danger, but the administrator said that he

was sorry, the regulations contained no provision for that. To date that man has never been reimbursed for the money he paid to the hospital. The disability from which he suffered was 100 per cent due to the effects of his war wound. We may pass the finest act under the sun and yet have it fall down in administration. If we had a few private soldiers active in the administration of this legislation, much of the present trouble would disappear.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Mr. Speaker, I think the house will generally agree that we have had a most vigorous debate upon the second reading of this bill. I am not going to endeavour to reply to the extremely extravagant, and to my mind unjustifiable language used by the hon. member for Lethbridge (Mr. Blackmore) with regard to this measure. I venture to suggest to my hon. friend that he has not given a wide study to the terms of this bill. If he had, he would have been more conscious of his definite responsibility as a member of this house than to use such extreme and extravagant language.

As I said the other day, there is a tradition in this house with regard to measures dealing with pensions. In days gone by, that tradition has always enabled the house to deal with such measures on a strictly non-partisan basis. During the course of this debate many hon. members seem to have forgotten the terms of reference to the select committee which was agreed to the other day by this house. Not only is this particular measure to be referred to that select committee, but the general provisions of our pension legislation as well as the War Veterans' Allowance Act are also referred to the committee. That committee will have complete jurisdiction, not only to consider and pass upon the adequacy or otherwise of the present measure, but to discuss other provisions of the Pension Act or phases of the pension administration. If hon. members had been mindful and conscious of that fact during the course of this debate, many of the statements which were made would not have been made.

I can say that it was not necessary for the government to introduce this bill at this time, from the point of view either of authority or of administration. We could have functioned until the end of this war. As a matter of fact, it was thought better that this bill should be submitted or that the basic principle should be submitted to the attention of parliament at this time so that a free and unfettered judgment could be passed thereon. Could anything be more fair than that? Yet the hon. member for Lethbridge uses the words "disgraceful and disgusting."

Mr. BLACKMORE: That the bill is.

Mr. MACKENZIE (Vancouver Centre): Can my hon. friend tell me a single instance in which this measure is either one or the other?

Mr. BLACKMORE: People from end to end of Canada are saying it.

Mr. MACKENZIE (Vancouver Centre): The hon. member for Vancouver South (Mr. Green) made a most intelligent analysis of the measure. He has a deep knowledge of pension matters, but he pointed to only one principle in this measure which could be criticized. There is not a single removal of any right or privilege enjoyed by the ex-service man of the great war, with the possible exception of that reducing the quorum of the pension board from three to two. Is there any one in this house who disputes that statement? There is not a single right being taken away from the ex-service man.

Mr. BLACKMORE: What about the—

Mr. MACKENZIE (Vancouver Centre): Would my hon. friend kindly maintain silence?

Mr. GREEN: If the minister wants a particular case, I would say that all the points I raised are restrictions.

Mr. MACKENZIE (Vancouver Centre): There was not a single point raised by my hon. friend. He dealt only with requests made in years gone by, which were not granted, or with provisions affecting those serving in the present war. He cannot show me one paragraph in this bill which takes away a single right enjoyed by the ex-service man to-day.

Mr. BLACKMORE: Does the minister consider that the legislation we have had during the last five years has been adequate?

Mr. MACKENZIE (Vancouver Centre): I have never considered that any pension act was adequate. During my private and public life I have done far more to make our pension legislation adequate than has the hon. member for Lethbridge. We cannot improve legislation by extremism. We can improve it only by cooperation, by working together as Canadian citizens. It cannot be improved by introducing the elements of weird finance into the debate. I understood the hon. member for Vancouver South to say, in reply to an interjection by his leader, that the appeal board heard evidence away from the individual.

Mr. HANSON (York-Sunbury): No.

Mr. MACKENZIE (Vancouver Centre): I am glad to be corrected. My hon. friend must know that the final stage of the hearing is held in the presence of the applicant.

Mr. HANSON (York-Sunbury): It was suggested that with the quorum being reduced from three to two, the third member might be called upon to make a decision when he had not heard the evidence or seen the witnesses.

Mr. MACKENZIE (Vancouver Centre): If there is substantial objection to the number of the quorum, I shall be glad to leave it as it is. The leader of the opposition referred to another section as giving a pension to somebody. May I assure my hon. friend that we are doing nothing of the kind. If there is objection to that section, I shall have no hesitation in having it removed. An attempt is being made to make the period of service in another body count as service under the terms of the Pension Act in qualifying a man for pension. If there is objection to that section, let us strike it out. Not a single right is taken away from anyone by this bill.

With reference to the points that have been raised by the hon. member for Vancouver South, every one of them was discussed in years gone by in other committees of this house and every one of them was rejected.

With regard to those serving in the present war, a committee has been set up to consider this very question of service within Canada as against outside. An important question of principle is involved. It is, I might say, the only important question involved in this measure, apart from the extended benefits that are given to every Canadian serving with the imperial forces. That question will be thoroughly discussed by the committee. I can assure my hon. friend that no restrictions whatsoever will be placed on the committee's deliberations. There will be the fullest, freest, frankest discussion of the Pension Act generally, of war veteran allowances generally, and of all other measures which are necessary to effect a real rehabilitation of our ex-service men.

May I suggest in closing, Mr. Speaker, from what I have seen of the committee, that I know the spirit of the committee will be better than that which has been displayed by some members of the house this afternoon. I am sure the committee will meet in a spirit of cooperation and helpfulness and with an earnest desire to bring back into this house a measure which will do justice and fairness to our men who are doing so much not only for Canada but for the empire, the world and Christianity itself at the present time.

Mr. MacNICOL: May I ask the minister, following the excellent statement which he has made on this measure, if the subject of widows' pensions will be brought before the committee?

Mr. MACKENZIE (Vancouver Centre:) Not only that, but it is my intention to ask my hon. friend himself to present their case.

Motion agreed to, bill read the second time and referred to the select committee on the Pension Act and war veterans' allowances.

WAR APPROPRIATION BILL

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

The house resumed from Friday, February 28, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Macdonald (Kingston City) in the chair.

Mr. DIEFENBAKER: Mr. Chairman, since I started to discuss the matter of aircraft production, events have happened which have made great changes in Europe and brought home to us the fury that may well sweep over Europe within the next few weeks. The Prime Minister (Mr. Mackenzie King) said this afternoon that, so far as he knew at the present time, this session would be devoted in the main to a discussion of the war appropriation bill and the budget, that all our ideas would be directed to one matter, that of winning the war.

The attitude which we on this side of the house take is that we owe it as a duty to those whom we represent to do everything we can at this time and during this discussion to remove the veil of secrecy which to-day conceals from any of our people the gravity of the situation in this country and in the empire. Apathy must be swept aside because for too many people in this dominion the war is yet but a daily radio programme of changing events.

The attitude we take on this side of the house is that one of the things that will be of paramount importance in determining the outcome of this war is air power and aircraft production. We have heard from the Prime Minister himself that Canada's contribution to the air training scheme may well be the determining and decisive factor in this war. Churchill has called for planes, and still more planes.

I make these explanations for the reason that they accord me an opportunity of saying why I intend to devote some time this afternoon to a discussion of the speech delivered the other day by the Minister of Munitions and Supply (Mr. Howe) and to the MacMillan report, and also to a discussion of the Breech report, be it written or be it verbal.

Let me say that my reason for suggesting the return of the former Prime Minister of this country to head a committee or commission to look into aircraft production in Canada was to assure the people of this dominion that there would be placed at the head of an investigation of our aircraft situation a man whose patriotism will never be doubted, a man whose industry and capabilities have meant so much in the past to this dominion.

We have business men in Canada to-day who are devoting their best talents to assisting this country at this time. I am not one of those who cast ridicule on men who are serving this country for one dollar a year. They are men whose aim is to contribute something to our war effort at this time, and I think one of the finest examples is Mr. H. R. MacMillan, chairman of the war-time requirements board, who in a speech delivered the other day in Vancouver epitomized the situation as he saw it as a result of the experience he had had. This is what he said in part:

> In this case the balance sheet of Canada is the war. Nothing else matters. If we find that our capacity for making an effective war performance—say in the supply of ships and guns and aircraft and munitions—is defective, then it should be our duty to make the needed change without delay, and we should make it with one single motive, to increase the efficiency of our war effort.

Having regard to what has taken place and the objections that have been made by business men who have assumed positions of responsibility, naturally the question suggests itself to all of us: Are the efforts of these business men being emasculated by controls exercised by government officials?

What of the aircraft situation? I have indicated the views of the Prime Minister and of Mr. Churchill on the importance of air power. Is the aircraft production situation in Canada to-day what it should be? The Minister of Munitions and Supply himself admitted that it was not, and he was quite frank in that regard. We have the right to know what the situation is. We have a responsibility not to sit by in silence and condone the failure of the government to organize properly the aircraft industry of this country.

Take the other side of the picture. What is the position in the United States of America? William Knudsen was appointed to take charge of aircraft production. What has happened? In December, 1940, it was expected that only 700 planes would be produced; the production was 799. In January, 1941, that production had increased to 1,306 planes, and it is ever on the increase, because the government of the United States realizes that only through an ever-accelerated aircraft production can the United States properly defend herself and assist this empire.

What of the situation in so far as Federal Aircraft Limited is concerned? The minister has stated that it was organized by the government to assure the production of fuselages for twin-engined Anson bombers, and to coordinate the industry throughout the dominion. It has failed to date. I say that, not in an attitude of gloating over that failure. The minister was optimistic last July when he spoke in this house, but he did not tell us it was optimism; at that time he indicated that the situation was such, with the organization of this particular corporation, that all would be well. These are his words on July 30, 1940, as reported in *Hansard* of that date at page 2116:

> Early in 1941, we expect to have a production of 360 planes per month, or about 12 planes per day, Sundays and holidays included, on the basis of production now arranged for.

Those were his words. Production was arranged for; the expectation was placed before the house. Then he went on to say this:

> In order to coordinate the work of these nine firms—

That is, those who were producing aircraft.

> —and to ensure a supply of raw materials, engines and instruments, as required, a wholly

government-owned company, Federal Aircraft Limited, has been formed to take over the responsibility of the government for the production of aircraft of this type. It is anticipated that Canadian production of Ansons will commence before the end of this year.

That was the promise. The performance is that the promise is being carried into effect only in a very small measure. Why, even in November last, the minister asserted that all was well. According to *Hansard,* page 263 on November 20, he said this:

With regard to aircraft production, our aircraft industry is expanding rapidly and is producing planes to meet the requirements of the joint air training plan, and is also building operational aeroplanes for Great Britain and Canada. The output of planes is expanding each week in this new Canadian industry.

And then, a little further down:

The industry is in process of being reorganized on a production line basis.

That was the interim report. To-day the admission is that we are not producing sufficient planes for training purposes in Canada, and that it has become necessary to import such from the United States.

What does Mr. MacMillan say in his report? His report on this matter appears on page 7 of the appendix to the *Votes and Proceedings* of February 27:

(L) Aircraft:

(1) (a) Anson's—Production might not start until after July, 1941, and might reach only 200 to 300 in 1941—

Compare that with the promise, the expectation in July, 1940. Mr. MacMillan continues:

—but if carefully reorganized at several key points, and if time lost by failure of subcontractors can be recaptured, 1941 production might be doubled—

And so on. I ask the minister when he replies to tell the committee whether the "careful reorganization at several key points" has been proceeded with; if so, what was the nature of the reorganization, and what were the key points? Second, who are these subcontractors who are to-day retarding the aircraft production of this dominion? I further ask him this, what reorganization is taking place to enable these qualified promises of production to become actualities? What assurance has parliament and this country that the record of failure established since the set-up of Federal Aircraft Limited, six months ago, will prove a foundation for success in the next six months?

[Mr. Diefenbaker.]

I now refer the committee to an interview given by the Minister of Munitions and Supply, as reported in the Windsor *Daily Star* of February 1, 1941.

Mr. MARTIN: That makes it an accurate report.

Mr. DIEFENBAKER:

Commenting on reported aircraft production delays, Mr. Howe said that the Avro Anson bomber programme to provide machines for the empire air training plan would be at least three months behind schedule.

In November last he said that there would not be any falling behind schedule, but that Canada was able to produce these planes in sufficient numbers to meet the need.

Mr. HOWE: Can the hon. member quote my remarks to that effect?

Mr. DIEFENBAKER: I have just quoted them.

Mr. HOWE: But they are not exactly what the hon. member said the second time.

Mr. DIEFENBAKER: I will quote them so that there will be no misunderstanding:

The output of planes is expanding each week in this new Canadian industry. Existing plants have been extended and new plants have been, and are being, constructed. The industry is in process of being reorganized on a production-line basis. Canada is now building complete aeroplanes—

And so on.

With regard to aircraft production, our aircraft industry is expanding rapidly and is producing planes to meet the requirements of the joint air training plan.

Does the minister say now that in November sufficient planes were being produced to meet the requirements of the air training scheme then?

Mr. HOWE: Yes.

Mr. DIEFENBAKER: Then I ask the minister when he replies to tell us what happened during the interval between November, 1940, when he gave the interview, and February 1, 1941. It is not the minister's responsibility, I know, because during part of the time he was away. What happened during the time from November 20 to February 1 to cause a falling away in the production of Anson trainers? I go on from there in referring to the interview:

He said he had not decided whether production could be speeded up by taking supervision of this project away from Federal Aircraft Limited, a company set up by the government last summer to handle the Anson job. "At the present moment I cannot see any guarantee

that we could get planes more quickly if we upset the applecart and took this job out of the hands of those we organized to handle it" he said. "But we are still studying the situation. Our only object is to get the planes in the quickest way."

I now ask the minister to tell the committee whether the matter is still being considered, whether the continuation or discontinuance of this particular corporation is now being considered, or whether a final decision has been arrived at. I refer further to a statement that the minister made on his return from overseas, as reported in the press:

Federal Aircraft is in no worse shape than the rest of the aircraft industry in Canada.

Was that statement made as an excuse or as an indictment, because, when I read Mr. MacMillan's report, I find that the Noorduyn company, the Fleet, and the de Havilland are all on a smooth running basis and that their orders are being completed. They are commended for their efficiency?

Mr. HOWE: It does not say they are up to schedule, though.

Mr. DIEFENBAKER: That is the information which the committee wants, whether or not these companies are up to schedule.

Mr. HOWE: If the hon. member will read a recent *Hansard* he will get pretty much all the information he wants. He is sort of beating the air, it seems to me.

Mr. HANSON (York-Sunbury): That is a provocative statement.

Mr. DIEFENBAKER: The minister gave to the house before, in July and November, information that has not been justified by subsequent events, and we accepted those statements then. We are asking to-day to be assured that in the coming months the promises and the expectations of to-day will be the realization of to-morrow There were delays from July until now, delays until the 1st of July, 1941. The people of the country have a right to demand that these delays shall no longer be tolerated. If these machines are not turned out as they should—and the minister has been frank in that regard in saying that they have not been—then what the committee and the country want to know is, what changes will be effected that will ensure that such a condition shall not continue until the march by Hitler against the British empire commences?

The minister says that, because of the fact that we are able to secure supplies from the United States of America, our air training plan is not suffering. Yes. But if, perchance, that country went to war and it became necessary, in consequence, to assure a supply of these training planes for the United States, where would this nation be?

The MacMillan report says that the subcontractors have been to blame. Who they are we do not know; where they are we do not know. The committee wants to know, too, why it was that Federal Aircraft, set up as a designing corporation, went into private manufacture and acquired premises for factory purposes in the city of Montreal within the last few months. Who made the decision to alter the set-up of Federal Aircraft in that regard? Was it the company, or was it the minister himself? The minister has made the statement that all the plants in Canada are operating to capacity, and his explanation for delays is the fact that the industry is a new one and that it is not properly developed. I ask him, then, why it is that the de Havilland Corporation to-day is finding it necessary to reduce its shifts and hours. I ask why the Cub Aircraft Corporation in Hamilton, Ontario, which I am informed is able to produce Avro parts, is not being utilized. I ask why National Steel Car at Malton is not being operated to full capacity. Is it the subcontractors? Have they fallen down? If they have—and the evidence seems clear that they have—then I suggest to the minister that under the powers contained in the National Resources Mobilization Act the government act now and take over these corporations that are delinquent. Last June this legislation, the National Resources Mobilization Act, was put through the house, and we were told that it was necessary to ensure its early passage so that something could be done without delay. Here are the powers:

Subject to the provisions of section three hereof, the governor in council may do and authorize such acts and things, and make from time to time orders and regulations, requiring persons to place themselves, their services and their property at the disposal of His Majesty in the right of Canada, as may be deemed necessary or expedient for securing the public safety, the defence of Canada, the maintenance of public order, or the efficient prosecution of the war, or for maintaining supplies or services essential to the life of the community.

The power is there. It was not put there for no purpose. It has not yet been used.

We now come to one other report, the Breech report.

Mr. HOWE: Does the hon. member know anything about a Breech report? I am sure I do not. What information has he on it? Is there such a report?

Mr. HANSON (York-Sunbury): That is what we should like to know.

Mr. HOWE: I know of none.

Mr. DIEFENBAKER: The minister says he knows nothing about the Breech report. Is there such a report as the Breech report? At page 922 of *Hansard* of February 21 the minister is reported as follows:

I can say to my hon. friend, however, who believes, as does the leader of the opposition, that the Breech report recommended that the Anson programme should be taken away from Federal Aircraft, that it recommended nothing of the sort. It recommended that it be not taken away from Federal Aircraft. It made one or two recommendations in connection with the organization of Federal Aircraft, but said the programme was rapidly rounding into shape. That shows how far afield we can sometimes get.

I now ask the minister to tell the committee about this Breech report; what were its recommendations? He has stated that it recommended that the Anson programme be not taken away from Federal Aircraft, and made one or two recommendations in connection with the organization of aircraft. Therefore, I now ask the minister to tell us something about that report. He told us a few minutes ago that it does not exist. On February 21 he told of its existence. Then he went on to say:

Perhaps I can lay on the table the part of the report referring to aircraft, but I am afraid that hon. members would then ask for the rest of it. . . .

And then he said:

So far as the report of Mr. Breech is concerned, I have never seen it.

Mr. HOWE: Let me read the context of what my hon. friend is now reading. Before that, I said:

I should like to give the house the report from Mr. Breech, but unfortunately that was made orally to the wartime requirements board.

Mr. HANSON (York-Sunbury): There was a report, written or verbal.

Mr. HOWE: It was, I presume, in Mr. MacMillan's report to myself. That is just what I said. My hon. friend just passed my words by in reading the statement to the committee.

Mr. DIEFENBAKER: As the hon. gentleman said, "That shows how far afield we can sometimes get."

What is the nature of the recommendations? Further, with reference to what the minister has stated, I ask him, what information did he get from Mr. MacMillan and Mr. Henry as to the contents of that report? He said:

So far as the report of Mr. Breech is concerned, I have never seen it. It was made orally I think. I have questioned Mr. MacMillan and Mr. Henry, who accompanied Mr. Breech—

Mr. HOWE: I said Mr. Carmichael, I notice it is misreported in *Hansard*.

[Mr. Howe.]

Mr. DIEFENBAKER: Then it should be Mr. Carmichael.

—and I have every reason to believe that the views of Mr. Breech are reflected in Mr. MacMillan's report.

There is only one way in which the minister would have reason to believe that, that is, if he knew what Mr. Breech's views were. I ask him to elucidate that and explain it for the benefit of the committee.

The minister seems loath to disband Federal Aircraft, and I am not saying that he is not justified in his view. But what we want to know is, what are the reasons why a company that to date has been unsuccessful should be continued in existence.

I also wish the minister to advise this committee whether the Breech report recommended a reduction in the number of aircraft types to be built in Canada; also whether it recommended that R. P. Bell, the present director-general of aircraft production, should have wider powers and be free to make his decisions in connection with aircraft production without interference of any kind.

There were certain suggestions that I placed before the house the other day. In addition to those, I should like to ask the Minister of Finance as well as the Minister of Munitions and Supply to inform the committee whether a decision has been arrived at on the part of the government that the major portion of Canada's war effort should be restricted to the army or to the air force, because I notice that during the year ending January 31 some $141,000,000 more was expended upon the army, upon the militia, than upon the air force. Yet we have been given to understand from time to time that aircraft production, personnel, et cetera, were considered one of the most important contributions that Canada could make.

With regard to Federal Aircraft, I would ask him to advise whether in his opinion its failure has been due in part to divided control. In England the government has set up no such corporation. Their efforts have won the admiration of the world. Each service is under the direct responsibility and supervision of a minister, aircraft production being under Lord Beaverbrook who is a member of the war cabinet and makes his report direct to parliament.

There is another phase I wish to take up, with a view to suggesting to the government that efforts be made and sanctions be adopted with a view to assuring that maximum efficiency shall characterize the expenditure of the moneys that are to-day being raised by both loan and taxation. The committee on war expenditures that was set up in Great

Britain studied this question at great length and came to conclusions that might very well be adopted by this parliament. I am not going into the matter in detail, except to refer to one recommendation that was made:

> Your committee desire to record their emphatic opinion that no industry should be exempt from obligation to submit its costs to investigation by government accountants for the purpose of determining the prices to be paid under non-competitive contracts with government departments together with more supervision of costs where contracts are let on a cost-plus basis.

I am suggesting the adoption of a like principle for the consideration of the minister, in order to allay any suggestion of suspicion or concern in this country that will in any way undermine our war effort, because uncertainty and fear and suspicion will breed apathy in this nation and will result in a slackening of our war effort.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. DIEFENBAKER: Mr. Chairman, when the committee took recess I was dealing with the recommendation of the committee in the United Kingdom. I now pass on to another phase, and suggest that the government use the national registration to secure the labour categories which in course of time may become scarce, particularly with a view to ensuring that all technical men shall be mobilized in the service of the state.

I, too, add my plea to that made by other hon. members that more effective use be made of smaller plants located throughout the dominion. I am more than pleased with the action of the government, taken with a view to securing stricter control of expenditures and to make possible the recommending of economies, in setting up the committee on war expenditures.

I was pleased to hear the Prime Minister (Mr. Mackenzie King) state yesterday, if I understood him correctly, that so far as he was concerned the government was not going to demand that the committee sit in secret. In my opinion the only occasions upon which it should hold secret meetings would be those when the national safety might be jeopardized. I believe, if the meetings throughout are held in secret, suspicion will be aroused in the minds of some people that politics are being played. On the other hand if, for the most part, the sessions of the committee are held openly, the people of Canada will be able to judge as to what members of the committee are endeavouring in any way to play politics, whether they be on the side of the government or of the opposition.

There must be stricter control of expenditures; the people have asked for it. I was pleased with the attitude displayed by the hon. member for St. Antoine-Westmount (Mr. Abbott) and the hon. member for Selkirk (Mr. Thorson). Their attitude was that taken by this party, namely, that it will be our desire to enter the committee in a sincere spirit of patriotism. We will approach the work, not with a desire to search out picayune faults, but with an honest desire to help the war effort, and to make recommendations, general as they must be, to speed up the tempo of the war effort. We will endeavour to ascertain what, if anything, is holding up the production of munitions, if indeed there is such a hold-up; and, in particular, we will inquire into the hold-up in aircraft production and have an opportunity to suggest remedies.

The people, however, must not expect too much from the committee. If we are to sit until the end of the session, a matter of only two months and a half, at the outside, in view of the fact that to this date 85,000 contracts have been awarded and 1,500 new contracts are being awarded each week, it must be realized that all the committee can do is to generalize. It will not and cannot, as I conceive the situation to be, enter into consideration of individual contracts.

The attitude of Conservative members on the committee, as it has been in the house, will be to subordinate party interests to the public good, just as the blueprint of this party since the outbreak of the war has been to couple fair criticism with honest cooperation with the government in a national war effort.

In conclusion, I would say that, before this debate is concluded, we want action with regard to the matter of aircraft production. The country must be assured that the failures of the past will be rectified. It must be assured that anyone who to-day is hampering production in any of the departments, either through inefficiency or negligence, must go. After eighteen months of war, the period of trial and error should be over. We do not wish to criticize only for the sake of advancing arguments to injure the government. Far be it from us to take that attitude,—although the government has shown signs of being allergic to all types of criticism. Our attitude is that aircraft production must be speeded up. In this life and death struggle there will be no second chance for our empire. Excuses for non-production of aeroplanes or other munitions of war will avail nothing when the test with Hitler arises.

To-day people are making demands. They are asking us—and that is why we are here—to get assurance that the maximum war effort of which this country is capable shall be given. They are asking for a maximum, measured not in terms of amounts but rather in amounts coupled with effectiveness and efficiency. The people of Canada want to help. They want the facts. They are prepared to face those facts, and if mistakes have been made they want to know that those mistakes have not been and will not be condoned.

Let us all in a spirit of cooperation and calm deliberation meet this challenge to our very liberties and our lives; and when a course is decided upon or when changes must be made in the interests of the safety of the state, let us proceed to carry out those plans ruthlessly and with determination.

Mr. McIVOR: Mr. Chairman, I had hoped not to say anything in this debate, because I know the minister is quite capable of taking care of himself. I would, however, be derelict in my duty if I did not say that we are thankful to the Almighty that he is here to-night and is able to come bubbling up over the top of all this fighting just as safely as he did when that boat was sunk on the other side of the Atlantic. I feel it is the duty of hon. members to show up any weak spots, but when the hon. member for Weyburn (Mr. Douglas) was dealing with the aircraft industry I was sorry that he stopped short of Fort William.

Fort William is alive. A writer in a magazine stated that no Hurricanes were being made in Canada, but Hurricanes are being made at Fort William. Fort William is in Canada; therefore the logical conclusion is that they are being made in Canada. Some have said that no Hurricanes are being made, that they are just being assembled. We admit that the engines come from the other side; but if hon. members could see, as I have seen, the piles of raw material, of long pipes, of large sheets of metal, all of which are to be cut and filed into shape and fitted to the proper spot on the plane, they would realize that a great deal is being done there. When it is said that no Hurricanes are being made in Canada, they should think of Fort William. I know that all planes made in Fort William or any other place in Canada are made either for the dominion government or for overseas under the control of the dominion government. It is impossible for a plane to be shipped out of Canada without the authority of the government of Canada through the Department of External Affairs.

The factory at Fort William is increasing its production all the time. It is expected that it will be producing twenty-five or more planes a week. Judging from the present results, I know the number will be more. For the week ending February 8, they produced seven planes, or one a day; for the week ending February 15, they produced fourteen; for the week ending February 22, they produced thirteen and for the week ending March 1, they produced fifteen. The small production in the first week of February was due to a shortage of material. Much of this material was being procured from Great Britain and perhaps Germany was able to prevent some of this from reaching Canada. The minister, however, made some trips to the United States, and he has found a way for us to get engines and other material. I think we have a right to be grateful for that.

I should like to say a word about the management. The management of this aeroplane factory at Fort William is as efficient as the management of any other concern in Canada. Generally speaking, the foremen and inspectors are locally trained, although there are some exceptions. Young men who went to school in Fort William and Port Arthur were taken on and trained in the making of an obsolete plane called the Grumman. At that time this plant could not obtain permission to make a more up-to-date or modern plane. One of these young men is the general foreman, and I would say that there is no better man in Canada. He has considerable sense because when he found a young lady he liked, he had a member of this house help him tie the knot.

Mr. HANSON (York-Sunbury): Does the hon. member know that the Hurricanes being manufactured at Fort William are on British government order entirely?

Mr. HOWE: Just to clear the record, they are being manufactured on contract between the Dominion of Canada in the right of the Department of Munitions and Supply and the Canadian Car and Foundry company. Let us have the record straight.

Mr. HANSON (York-Sunbury): But for the British government entirely. Mr. MacMillan's report says that.

Mr. MACKENZIE (Vancouver Centre): But for the same war.

Mr. McIVOR: All I know is that when the Canadian Car wanted to send planes out of Canada, they had to get the permission of the former Minister of National Defence, the present Minister of Pensions and National Health (Mr. Mackenzie). I do not think there is anything that goes out of Canada to Great Britain, or even out of the United States to

Great Britain which is not known to the Minister of Munitions and Supply and Mr. Purvis.

I was speaking of the staff when I was interrupted. The staff is well balanced because there are about 500 girls working in the plant. That shows that in this plant there is the making of a future great industry which will go far beyond its present capacity. Then, again, this plant is staffed by men and women who honour the right of men to organize. They have one of the best trades unions at the head of the lakes, one which is second to none in Canada. They had a terrific job organizing this union because employment increased so rapidly. I should like to pay my tribute to the trades union executive. These men have the milk of human kindness in their hearts. When a man passes on or someone suffering from sickness must go away for treatment, they pay the bills. I do not know of any other organization in Canada which does that sort of thing.

This organization has banded together and has donated one and perhaps two Hurricanes. The Montreal plant is donating the material and the men and women at Fort William are giving two days' pay, which ranges from about $8 up. These Hurricanes will not cost the Canadian or the British government one cent, and we hope the British government will accept them, as I think they will, in the spirit in which they are given. There is another thing about this splendid plant at Fort William which I should like to mention. "All work and no play makes Jack a dull boy." That proverb lives because it is true. The men of this plant organized their athletics with the same energy that they give to their jobs. Last summer they won the hard-ball championship of the Thunder Bay district and they played so well that the big league scouts were up there looking for talent for the coming season.

They entered a team in the hockey league this winter. Against keen competition they have topped the league. They are ready to go through a stone wall to secure a goal or make a home run. They are putting into their games the same energy as they put into their work. I ask the hon. member for Lake Centre (Mr. Diefenbaker) to note this. If all other organizations are like this one, there is nothing to worry about. Then the production will be like that wheat which they used to raise in Manitoba in the early days, and sometimes yet, known as No. 1 hard.

There has been no sabotage in this plant because the man in charge of maintenance showed great sense by appointing a real Irishman as a policeman in charge of the guard. They know they are being taken care of. This all-round industry is very sensitive, and so am I when members in this house say that it is not functioning with efficiency. It is functioning far better than I ever expected it would function, and I visit the plant regularly. If all war industry in Canada were functioning as efficiently as this one plant, I am sure that Hitler would soon find himself in the place where he hoped to send the Minister of Munitions and Supply when his boat was torpedoed.

I should like to congratulate the hon. member for Lake Centre upon one suggestion that he has made. He thought it would be a good thing to invite the Right Hon. R. B. Bennett to come back to Canada. I am sure that if he came back and spent six months under the leadership of the Prime Minister (Mr. Mackenzie King), he would never sit among my hon. friends to my left on this side of the house but would blossom out as a real Liberal so that wherever he might be he would have honest Liberal action.

There is one thing more I should like to say about the plant at Fort William. I believe that it will lead the rest of Canada, just as it is leading it now in production, in efficiency, in harmony among the workers, and in kindness and courtesy between the management and the staff, and I resent anybody in this house saying one word against the minister who fathers an organization of that kind. He has given gladly of his time. I have invited him out of the house on several occasions to meet the executive of the Canadian Car, and he has always surprised me by accepting the invitation. Sometimes we would meet in room 16 and sometimes upstairs, and the knowledge he had of aeroplanes and the aeroplane industry in those early days was a revelation to me. He showed the executive of the Canadian Car that he knew far more than they did, and I gladly pay my tribute to the minister. I get a little bit hot when anybody blames him for insufficiency or shortcomings. He has always been honest and fair and has conducted his department in such a way that the government and the people of this country can take off their hats and say: "Thank God he is living."

Mr. MacNICOL: Mr. Chairman, I am sure that we all feel refreshed by the address of the hon. member for Fort William (Mr. McIvor), but I wish he had told us just where he thinks the minister would have gone had Hitler succeeded in sending him on his way. For fear there may be any misapprehension as to the region the hon. member had in mind, I am sure that he meant the minister would have gone to heaven.

In view of the bitterness of the remarks of the Minister of Munitions and Supply (Mr. Howe) when he spoke earlier in this debate and the bitterness of the Prime Minister's remarks in reference to anyone who might offer any suggestion that might be construed as criticism, I hardly know how far I should go. However, I was sent here to speak on behalf of my constituents and I am going to present my arguments as I see fit. But, before doing so, I should like to repeat to the minister, for whom I have a warm feeling as one business man for another, a verse that I quoted once for the benefit of the Minister of Pensions and National Health (Mr. Mackenzie) when in former years he would get hot under the collar and say something that perhaps he did not intend. I must say that he has greatly improved since he took to heart this ancient verse which I am now going to quote for the Minister of Munitions and Supply, with the hope that he, too, will not get so hot under the collar from now on, because, after all, when a man gets heated he loses control of himself.

Here is an ancient Brahmin proverb which I found in a very old book. It reads like this:

> Proceed not to speak or act, before thou hast weighed thy words, and examined the tendency of every step thou shalt take: so shall disgrace fly far from thee, and in thy house shame shall be a stranger; repentance shall not visit thee, nor sorrow dwell upon thy cheek.

From what the hon. member for Lake Centre (Mr. Diefenbaker) said this afternoon, it would appear that the minister, being heated perhaps, has on one or two occasions given different answers to the same question, but if he keeps before him the verse I have just quoted I hope he will be able to control himself from now on.

For my part, I admit that every member of this house is just as sincere as I am in trying to plan to win this war. I do not think there is in this house any man or woman either who is anything but sincere in doing what he or she can to win the war. So I grant all sincerity to the minister in what he has done.

At the same time I hope that the minister and the Prime Minister will admit that the press is also sincere. I cannot for the life of me understand why any bitter words should be heaped upon the press. They have a number of highly paid men on their staffs, although not anything like as highly paid as they should be. To be a successful journalist a man must have a love of writing and digging, and they never get paid for that. But they do write and dig, and give advice; and whenever I have seen in the press what might in some quarters be interpreted as criticism of the efforts of the minister or of the government, I take it that it was advice honestly given to urge the government towards further improvement. I am quite satisfied that the journalists and the press of this country are as sincere as any of us in this house in our desire to win the war. Then why criticize them bitterly as they were criticized earlier in this debate for what they wrote for the benefit of this dominion?

Similarly I believe that every member of this house is sincere in what he says. We may not agree, but we are all sincere in what we have said.

I should like now to refer to a few of these press articles to see if they are guilty of the insincerity that was attributed to them earlier in this debate. On February 5—that was pretty early, just about the commencement of criticism of a strong nature—there appeared in the Toronto *Telegram* an editorial entitled:

> Fumbling on vital matters painfully apparent at Ottawa.

The minister and the Prime Minister may have been annoyed at the heading of that editorial, but it is absolutely true. The editorial reads:

> Critics of the compulsory thirty-day military camps who held that these brief periods of training were useless in making soldiers out of civilians, and therefore a waste of money, find confirmation for their opinions in the announcement by Prime Minister King that draftees will now be given a minimum of four months' instruction.

The editorial goes on to quote the reason which the Minister of National Defence (Mr. Ralston) gave for the thirty-day training plan, namely, that so many more men could be trained. Further on, it refers to the fact that the longer period will ensure that the men will be much better trained, and that is admitted by the government. Therefore the press were not in any error in saying that. They were right, too, in saying there was fumbling, because there certainly was. Consequently, Mr. Chairman, I am convinced that we often fly off with no sound ground for doing so.

I remember what the Minister of National War Services (Mr. Gardiner) said about the manufacturers, that if they were not big enough to do such and such and let their men get away for the thirty days training, they were not big enough to run industries, or words to that effect. Later on, however, the Prime Minister approved an extension of time so that industry would not be injured in that way by the thirty-day training plan. The press was not wrong in that instance.

Mr. HOWE: Sometimes it is right.

Mr. MacNICOL: I beg pardon?

Mr. HOWE: I did not say they were always wrong.

Mr. MacNICOL: No, I know the minister did not. I come to the *Telegram* of February 6. It says:

Lack of competent direction is paralyzing Canada's war effort.

Perhaps the government and the minister were annoyed at that.

Following the recent statements of air minister Power and supply minister Howe the government can no longer cloak the fact that its aeroplane production programme is in a terrible tangle.

The editorial makes reference to the air minister having said that the necessity to use three planes in training where he should have had four, was not his fault. But, being a really courteous minister, he did not care to elaborate on that. In fact, if I might digress for a moment, I regard our air minister as one of the best members of the cabinet. He has backbone, and I admire a man with backbone.

Here is another editorial, written in Ottawa by the editor of the *Journal* and commented upon in the *Globe* of February 6, entitled "The Part Canada Plays". Perhaps the minister, or the government, or both, might be annoyed by the tenor of the editorial. A comparison is there made between the results of the programmes in Australia and in Canada. The Australian programme does show up pretty satisfactorily. I am not going to denounce or belittle Canada's war effort, but it could be better. I have criticized what has been done, but I am not going to decry Canadians.

The next item is one of February 7 in the *Globe,* entitled "King Ministry Misled Public, Hepburn Says". The minister and hon. members have read what Premier Hepburn said about the government's war effort, and there is no reason why the press should be denounced because of what the premier of Ontario said.

The Montreal *Gazette* had an article on February 17 entitled, "Equipment Lack Bars Volunteers", and quotes the Minister of National War Services as having said this:

Canada has not been able to use all those who have volunteered for military service since the beginning of the war "because we haven't had the equipment."

That is what the rest of us say; that is what the press says; and therefore there is no reason why either an individual or a journal should be denounced for that.

Then, on February 22, the *Financial Post,* under the heading "Claims Federal Aircraft Suffers Basic Weakness", says this:

Failure of Federal Aircraft, Limited, to maintain its production schedule is not the only reason why the company should be condemned to the "scrap heap" in the view of *Canadian Aviation,* recognized authority on aircraft in Canada.

And so on; one article after another. I have read many of them, and I cannot see any reason whatever for heat on the part of the minister or the Prime Minister. The Prime Minister was particularly bitter the other evening when he denounced criticism.

Mr. RALSTON: My hon. friend has mentioned that before. If he will permit me to say so, I do not think the Prime Minister bitterly denounced any criticism except criticisms by two newspapers. I think he welcomed criticism of a constructive nature.

Mr. MacNICOL: Perhaps I had better read just what he did say. I will do so later, when I come across it.

Mr. POULIOT: Hear, hear.

Mr. MacNICOL: I want to get right down to fundamentals in one matter in particular, and that is, who called the conference which met in Ottawa at the end of December or early in January?

Mr. LaCROIX (Quebec-Montmorency): Nobody knows.

Mr. MacNICOL: My leader, in making his address, did try to ascertain exactly who called the conference. He said this, as reported in *Hansard,* page 1060.

I asked whether early in the year he did not request an opportunity to discuss aeroplane production problems with manufacturers interested in Anson bombers.

The minister of munitions was away. The Minister of National Defence for Naval Services (Mr. Macdonald), who was acting Minister of Munitions and Supply at the time of the conference, replied:

In answer to my hon. friend's question, there was a discussion between the manufacturers of component parts of Avro-Anson bombers, on the one hand, and myself on the other. Whether I requested it or they requested it I am not sure. They came to Ottawa and requested to see me and I spent an hour or two with them.

To me, who called the conference is an important matter, because that is the beginning of the so-called criticism, or of what resulted in the so-called criticism. It is a fact that the Minister of National Defence for Naval Services, then acting Minister of Munitions and Supply, did invite the manufacturers here to Ottawa. There is no question about it.

Mr. HOWE: Has the hon. member seen the invitation?

Mr. MacNICOL: He requested them to come to Ottawa—and rightly, in my judgment. When I got full confirmation of that I said to myself, "the minister of naval services must be a business man, because that is just what a business man would do." Not knowing, perhaps, much, if anything, about aeroplane production, what would a man do who really wished to inquire? He would send for the men who knew. After having a discussion with them, he asked them to send a report, which they did. I am not going to deal with the report particularly; it was dealt with fully by the hon. member for Lake Centre. But one of the clauses asked for the dissolution of Federal Aircraft. That is very plain. After reading the report and observing that the principal request was for the dissolution of Federal Aircraft, the acting minister likely concluded, in my judgment quite rightly, "Now this is a big matter; I will wait until the minister comes home; he will soon be here."

When the minister came home and had the report put before him, he exhibited immediately, I think, a little bit of heat, for the letter which he wrote to the aircraft manufacturers is not in my judgment the most courteous letter that could have been written. Probably he was hurt at the request to dissolve Federal Aircraft. I would not have acted in that way. I myself was employed in big business for a quarter of a century—a business employing well on to a thousand men—

Mr. HOWE: What was discourteous about the letter?

Mr. MacNICOL: —and in operating a big business a man learns to control himself. He must do so, or the business will go to pieces.

Mr. HOWE: What is there discourteous about the letter?

Mr. MacNICOL: I will read the part which I think is discourteous.

Mr. POULIOT: How interesting!

Mr. MacNICOL: It may not be interesting to the hon. member for Témiscouata, but it is interesting to people who understand business. Perhaps he does not know very much about business.

Mr. POULIOT: What I mean is, it was interesting when the hon. member did not speak.

[Mr. Howe.]

Mr. MacNICOL: The minister wrote, on January 31:

On my return from the United Kingdom my attention has been called to the document signed by yourself and several others. . . .

Recommendations signed by six firms with some experience in the manufacture of aircraft—

They are the only people in Canada who had any experience. They are all big manufacturers.

—or components must, of course, receive careful consideration.

Then he asked questions, of which No. 3 is:

As one of the contractors holding a subcontract for this production, what guarantee can you and your group give as to the date when substantial deliveries of Anson planes will be made, provided your recommendations are adopted?

What would I have done? I would have sent for the manufacturers and talked to them across the desk as big men. The minister himself is a big man. He was a business man building big things such as docks, elevators, harbours and so on in his time, and that is what he would have done in his own business. It is also what he should have done in this instance. He should have sent for these men and said, "Let us talk over the table so that I can get your views. I am as anxious as you are to produce aeroplanes in large numbers to win this war".

The first step was the calling of a conference; the second step was asking for the report, and the third step was the return home of the minister and the writing of the letter to the manufacturers.

I should like to go back to the minister's own statements. They were given this afternoon, but it will not hurt to repeat them now. They will be found at page 263 of *Hansard* of November 20. The minister said:

The industry is in process of being reorganized on a production line basis. Canada is now building complete aeroplanes except for the engines, and, for the present, engines are being purchased either in the United States or in Great Britain. Production covers practically every type of training plane in use in Canada and several types of operational planes.

From that I would gather that at the time that statement was made on November 20 last, production was pretty well under way, but earlier, in the month of July, the minister had made this statement. On July 30 he said:

Federal Aircraft Limited has been formed to take over the responsibility of the government for the production of aircraft of this type. It is anticipated that Canadian production of Ansons will commence before the end of the year.

It is almost eight months since that statement was made, and yet Ansons are not being produced in Canada. There is one plane that is being tested and examined, and I presume that in due course the engineers in charge of that plane will arrive at a conclusion as to how the plane should be finally constructed.

Recently the minister said that it would be next April or May before Ansons would be ready to fly, but the MacMillan report, referred to earlier to-day, staves off the time until next July or August; and it is still problematical. The question is, exactly when are these planes going to be constructed? Apparently they are very necessary for training. They are good bombers and good fighters, and in my judgment they should have been turned out before this.

Something was said to-day about the cutting down of hours in these plants. The reason why hours are being cut down is, as I understand, the shortage of skilled mechanics in Canada. The shifts have been reduced from three to two, two ten-hour shifts. I would point out that trained, skilled mechanics cannot be turned out in two or three months. Any business man knows that. An executive is not trained in two or three months, and therefore, by reducing the shifts, they are able to cut down the demand for such men. I am not sure that they will not produce as much, because where a plant operates in three shifts the machines do not go on immediately on each eight-hour schedule. It takes some time for one shift to step out and the other to come in.

In my opinion the government deserves some censure or blame for the fact that in Canada there has been a shortage of skilled mechanics and trained executives to operate machine plants. I remember, after I returned from England in 1937, I told the government in 1938, in the course of the session that year, that, according to the figures I had obtained from the immigration department in England, Canada had already lost from 25,000 to 30,000 skilled mechanics. I warned the government on that occasion that the time would come when those mechanics would be required here. I say, therefore, that the government deserves some censure for the fact that all those skilled mechanics left the country. That was a large number of skilled men to leave this dominion.

I also warned the government that it was necessary for us to get into aeroplane production. I will not read from *Hansard* what I said at that time, but in 1937 I had made a close inquiry into aeroplane production in continental Europe, particularly in Germany, and during the course of the debates that took place then—the present Minister of Pensions and National Health (Mr. Mackenzie) was Minister of National Defence at the time—I strongly recommended that Canada get into aeroplane production; because, from my observations in Germany, I was of opinion that everybody would fly—well, not everybody; that is an exaggeration. Certainly, however, there were very large numbers of aviators passing through the stations in Berlin. I sat in one of the stations there for hours and mentally counted aviators getting on and off trains, and I estimated that in that one station there were about 1,500 men that I observed. There are twelve stations in Berlin and I remember calculating at the time, multiplying 1,500 by twelve, that Germany when she was ready would fight in the air, because there were thus probably 18,000 aviators in Berlin alone. In view of this I warned the government that they should get into aeroplane production.

The same with regard to machine tools. Look at the trouble we are in to-day in this respect. That is one of the troubles in connection with the aeroplane business. I am told on good authority that a large number of machine tools were purchased in Chicago, by the machine controller I presume, and that a goodly number of machines are unsatisfactory for the work for which they were acquired—shapers, planers, slotters, drills and so forth. We are partly to blame for that. After I returned from my last visit to Britain, I made a statement in this house that I had met different manufacturers in England who were ready to build branch plants in this country. I was more or less laughed at for making that statement, but no less a man than the Minister of Munitions and Supply himself gave out a statement that plants would move to Canada, as can be verified by reference to an article headed "Howe Reports British Firms to Move Here." I felt at the time that Canada should be the arsenal and manufacturing plant for Great Britain if at all possible, if and when war broke out.

Mr. REID: What year was that?

Mr. MacNICOL: That was in 1938. I made a statement to the house. In the opinion of anyone travelling through Great Britain as I did, surveying factories by the dozen, large factories, some with as high as 35,000 to 40,000 men, and additions being made, it would have been only sound business on Canada's part to induce some of those new branch plants to come here, because those large bombs would blow some of those plants that I have in mind, off the map. If we had those plants in Canada

now, we would be in much better shape to produce aeroplanes and other equipment required to win this war.

The minister said, I believe a year ago more or less, that it would take about eighteen months to build an aeroplane engine plant in Canada. Well, they built them in Australia; they manufacture their engines in Australia to-day; in fact, they manufacture everything pertaining to aeroplanes except magnetos and carburetors.

Mr. MACDONALD (Kingston City): They are not manufacturing every kind of engine there.

Mr. MacNICOL: They are exporting planes from Australia, and their Wirraway is an extremely fine aeroplane. In an editorial in the *Citizen* of March 4, it is stated:

> Aircraft engines have been imported from the United States to Australia, but the Commonwealth Air Corporation last December celebrated the delivery of its 200th Wirraway war plane entirely designed and manufactured in Australia, with the exception of magnetos and carburetors.

We can do the same thing in Canada. No country in the world has better mechanics than Canada. I say, go to it and try to develop an engine manufacturing plant in Canada, because this war will last more than another eighteen months; and if we have another eighteen months of slaughter in Europe, it may be necessary to manufacture thousands of engines as well as entire planes in Canada.

This is the criticism I would offer to the minister as one business man to another. When it became necessary to develop the aircraft business and build up the manufacture of aeroplanes, instead of setting up the Federal Aircraft corporation with some very good men —I have nothing but good to say about any of them, but what would the minister have done had it been a question of building grain elevators and docks? He would certainly have surrounded himself with men who knew something about the erection of elevators and docks. What would I have done if it were a case of the manufacture of boilers and radiators? I would have surrounded myself with men who knew something about them, and about the rolling of steel and the melting of iron.

The same thing should have been done with regard to aircraft. I would have gone to one of these big aeroplane companies and said, "You do all the pilot work for the manufacture of the Anson plane in your plant." In that way only one group of technicians and executives would be used to develop all that is required to make an Anson plane, whereas if three or four different plants, including Federal, which is a small business, were all engaged, that would increase the number of executives and technicians and experts required. It strikes me as a much better thing to use one of the big plants, any one of them, to develop and complete all that is required to produce the Anson and then say to all the other companies "There, gentlemen, there are the designs and the tools; there are all the particulars in connection with the manufacture of this type of plane; now go to it." One plant would have been the pilot plant and all would do the manufacturing.

I was interested to read this morning about the German bombers now arriving on the borders of Greece. The article said that the fourth German squadron, which is now on the borders of Greece, has apparently about seventeen hundred planes and bombers. That bears out what I saw in Germany. I looked to the future with a good deal of fear—temporary fear—I have no doubt we shall win when we once get organized; we have always won before and we will this time. But at the moment, if the fourth bomber squadron has 1,700 planes, it bears out what I saw in Germany, that there are many thousands of them. We must do the same thing here.

If I were the minister, and I thought for one moment that by calling in the present aeroplane builders or anyone else who could give advice, a better way could be found, I would forget all I had done, if by doing so I could improve for the future. It is absolutely necessary to forget all bitterness or recrimination; that is of no value; it is all water gone under the mill. What we must do now is all to get together with the best we have in the country and produce the most we can to win this war, all of us; for, if we lose, we all go down. That is my parting word.

I have the best of feeling towards the minister. As one business man to another I say: I know your problems; I have been through them; all big business has its problems, and many times I have had to retrace my steps, wash out everything that was behind and commence over again. Many times we have spent money in making preparations that we thought were right, have spent a hundred thousand dollars, perhaps more, found we were wrong, washed it out and started over again, and we finally won. Some people may have lost confidence in the minister. I have not; I feel sorry for him. I say to myself, to whom in the cabinet can he go for advice?

Mr. HOWE: The Minister of Finance (Mr. Ilsley).

Mr. MacNICOL: The Minister of Finance is a financial man and a bright lawyer from Nova Scotia, but the minister wants business advice, technical advice, advice from capable, brilliant manufacturers who have had many years of experience. They do not grow like mushrooms, it takes years and years to develop a capable administrator. I have nothing but the best to say about the cabinet. There has been a good deal of talk about changing the government; that is all past as far as I am concerned; but if the government is to be improved, I should say there should be taken into it some big business executives upon whom the minister could call.

Mr. REID: What about labour?

Mr. MacNICOL: And labour too, a good labour man, a real labour man, an experienced man who perhaps has worked from the bottom to the top. I would trust him; I would not seek advice from a man who had had no executive experience. But what the minister wants is help; he is carrying too big a load to do it alone. As an hon. member said, I, too, thank God the minister came back safely, because he is a big man—yes, I will say this further; I believe it was an act of Divine Providence that he was saved though others were taken; his ability and experience were required here. I am a great believer in God Almighty and His divine direction.

I say to the minister: Retrace your steps. These big executives have said, dismiss Federal Aircraft. That is no criticism of Federal Aircraft; they are good men; in their own line they may be all right. But the manufacture of aeroplanes is a highly specialized business. We must win the war, and if I were the minister I would set an objective of 50,000 planes. If I were Minister of National Defence for Air, or whatever it is he is called—there are getting to be so many ministers I am getting mixed up, myself—I would set an objective of 50,000 aviators and bombers. I would fill the skies over Germany with bombers. There are no better aviators in the world than the Canadians. The Australians are good, and so are the New Zealanders. But none are better than the Canadians. It may be that they have not yet had an opportunity to show what they can do. But I would blacken the sun out over Germany with aeroplanes!

But to do that you have to build them in Canada. Start your engine plant. Even if it takes eighteen months to build it, you can do it. I know you can. Build the engines. I know we are told there would have to be several kinds. No matter how many kinds are needed, let us remember that this is an all-out war. We have to stake all! We have to win! If it requires planes and plants and executives and men and munitions, the minister can do it. But retrace your steps. Let him surround himself with big, successful, executive men, who will back him up when he encounters difficulties, and then manufacture, manufacture, manufacture more planes!

Mr. FLEMING: Mr. Chairman, I am afraid I cannot agree with the hon. member for Lake Centre in his views respecting dollar-a-year men. I find it difficult to follow the hon. member for Davenport. Whether or not he was trying to criticize the government, I was unable to say. But I think he was offering the same old criticism we have heard day after day from the official opposition.

The war appropriation bill now before the committee of the whole contains figures so enormous that sometimes one is likely to conclude that such figures are beyond the human resources of this nation. In the early days of this debate the hon. member for Trinity explained forcefully how these figures mean very little. He pointed out that, after all, only goods and services really matter, and that it is goods and services which constitute the real wealth of this nation.

The staggering amount mentioned in the bill will be accepted by the House of Commons and by the Canadian people, and still more staggering amounts will, in years to come, be accepted by the house and by the Canadian people, because as many hon. members have said, we are in this war to defend that very freedom which was handed down to us by our forefathers. It is difficult, of course, for many people living in the quiet countrysides of western Canada and on the peaceful prairie lands to think that this dominion would ever see the ravages of war. We know that things have happened in other countries, and it is not beyond the bounds of human possibility that such things may happen in our own country.

In discussing the few points which come to one's mind in connection with this appropriation bill I find it difficult to know, in these days of tragedy and tears, whether it is in the best interests of Canada to offer praise or criticism of the administration. After all, they do deserve a certain amount of praise. I do not for one minute believe there is one minister who is not doing everything within his power to make this war effort as efficient as possible. Constructive criticism has, however, been the very cornerstone of our parliamentary form of government.

There is one criticism I should like to reiterate, one which has been made in the

house before, and one which is heard to-day throughout the country, and that has to do with the status to which members of parliament have come in this house. Once upon a time a letter of recommendation from a member of parliament meant something. But to-day, to be recommended by a member of parliament, even for a country post office position, or as to fitness to receive foreign exchange, would immediately lead to the possibility of being turned down. It would be a handicap. The only thing a member can do is to recommend that the applicant go to some police officer or someone of that kind, because we realize that a member of parliament cannot give letters of recommendation to any of his constituents. Who should be more qualified than members of parliament, those who have been elected by the will of the people, to give letters of recommendation? Who should be more qualified than those who have been placed in positions of public responsibility, regardless of their party affiliations, to recommend residents of the districts in which they live?

During this debate there have been various types of criticism. I wish first of all to say that, although I may disagree with many of the policies of the present administration, I will never engage in any personal criticism of a particular minister. I believe attacks against the Minister of National Defence (Mr. Ralston) are completely unwarranted, because no man either in or out of this house has a more enviable reputation for honesty, ability and devotion to duty. The very fact that a suggestion was made that he should be leader of this country, irrespective of the political hook the opposition intended to place upon him, indicated the high regard in which he was held throughout the country. The opposition group would never have suggested his name, had his ability not been known throughout the length and breadth of the dominion.

Then, we remember the abuse which was heaped upon a great western Canadian newspaper, the Winnipeg *Free Press*. Throughout the years that paper has become almost the western farmers' Bible. It has attained that reputation over a long period of time, and it certainly deserves the position it holds. For a long time Doctor Dafoe was its guiding hand, a man who is recognized as a great journalist, probably the greatest Canada has ever produced. The breadth of his vision, the soundness of his background, his knowledge and his public-spirited Canadianism are known from ocean to ocean. The newspaper to a considerable extent has taken on the character of the man. Although it does speak its mind freely when it believes the party is wrong, or when it is misguided, it has been the bulwark of progressive thought throughout the years on western Canada's plains. Although Clifford Sifton did break with Sir Wilfrid Laurier in the famous election campaign of 1911, the Winnipeg *Free Press* did not. It carried on its fight for lower tariffs and reciprocal trade relations with the United States. In that campaign the people who forsook Sir Wilfrid Laurier were his own French-Canadians, the nationalists from Quebec.

Of course, Mr. Chairman, there are so many high-ranking Tories in key positions in this country that the present opposition is able only to tap at any criticism it wants to make. It will never say anything about any departments of government. Every time we meet here they throw up their old smoke-screens asking for a union government or a national government, or for a change in the leadership. This is just a replica of the same old story that their former leader, the Hon. Doctor Manion, carried on throughout the length and breadth of Canada. But when the present Prime Minister asked him to name some of the men about whom the hon. member for Danforth has been talking, those great brains in the country, he was never able to name any.

The only person who has ever been named here was named by the hon. member for Lake Centre. He mentioned that great man, the Right Hon. R. B. Bennett, and suggested that the Liberal government should return him to power, or return him to Canada. This was the man who in a peace-time crisis was discredited by the Canadian electors. The Conservatives virtually threw him overboard, and that is why he is not in this country.

I sometimes wonder whether it is going to be possible for us to continue on this non-partisan government basis. When this part of the session opened, the Prime Minister pointed out that it was more than ever necessary that we steel our hearts and minds to the magnitude of the effort and the sacrifice that would be demanded of us over a considerable period of time. In special measure throughout the next few months the government, because of its party affiliations, will be faced with criticism which is not justified. This government has certainly divested itself of all partisanship, but it is difficult for the public mind to grasp that fact. As the gravity of the war situation grows more intense, it will not be difficult to see what may happen with a non-partisan government. The war is bound to be long and we must do our utmost to promote the best war effort possible. Even though members of this administration may think they are doing everything possible, yet this may not be good enough, it may not be broad enough. It is either freedom for free

men, or medieval slavery. There is no in-between measure; there is no half way measure in the new order that has been set up by the dictators of the totalitarian states.

It is our duty to eliminate from all branches of the service all intrigue and ineffectuality that are seething underneath. These are the things that interfere more than anything else with our war effort. Some of us wish to bring them into the open. If they are brought to the light of day, incompetency, inefficiency and unethical practices will not long remain. There is no use in protesting that they do not flourish and exist in certain places. Of course they do. One of the reasons for this is the fact that Tory magnates from all over Canada are being placed in high positions of authority. Then what do we find? They immediately surround themselves with their Tory heelers. Since the government became non-partisan, we have had grow up a system of bureaucratic patronage that is far more dangerous than any system under which a government appoints its own supporters.

A government must defend its actions in parliament. These dollar-a-year men do not have to stand up in this chamber to defend their actions. That is why none of them would go into the government or assume any position in parliament. They knew they would then have to stand up to defend themselves. At present they defend themselves behind their offices. One does not have to go far afield in this city of Ottawa to see them. They are all over the place and they are working to the detriment of the administration in power at this time. It is an extremely dangerous practice to appoint as controller of a commodity or industry a person who has a large stake in that particular industry. The natural human tendency is to use such control, which amounts almost to a dictatorship, for private interests. We can see many cases of this on all sides. Take this MacMillan affair. Mr. MacMillan should have given an explanation immediately to the press. But no; the people were kept in suspense.

Pick up almost any Ontario newspaper and you will find how the heads of these large organizations throughout this province are criticizing members of parliament or anyone else who offer any opposition by way of constructive criticism. I have looked a number of these men up and checked over the contracts they have. One that is in my mind at the moment is the Otis-Fensom Elevator company. The president of this company is Mr. W. D. Black, and this gentleman was most severe in his criticism about those who had anything to say about the government. Here is what he said:

> There is no evidence that a protracted campaign of minority criticism at the present time can contribute anything to our war effort. There is conclusive evidence that it can seriously impair it, by confusing and distracting the public, at a time when solidarity and a deep sense of common responsibility are absolutely indispensable.

I checked things over, and I found that this company had received capital assistance totalling $9,000,000 from this country and Great Britain. It is easy to understand why this gentleman can say that there should be no criticism. All of these chaps who have these large contracts are against criticism. That is one of the reasons why the Tory opposition dare not criticize these parties. I realize that in a war emergency an excellent case can be made out for increasing cabinet or executive authority. I am not saying that I do not approve that action in a crisis, but executive authority should be employed to fuse all the elements of the country into cooperative enterprise. When it simply becomes an appropriation of the functions of government by a few, then it takes on all the worst features of a dictatorship with little of the redeeming advantages. Democracy is a testament of man's faith in man, but I can find but little faith being placed in members of this house by the administration in the last few months. One member of the government who has taken this House of Commons more into his confidence than any other member of the government is the Minister of Agriculture and Minister of National War Services (Mr. Gardiner). He has done this in connection with the national registration and again in connection with the national salvage campaign.

He has been criticized in both eastern and western Canada. In western Canada they say that he has not done enough for western agriculture, but he has been responsible for every progressive piece of legislation on behalf of agriculture that has been put upon our statute books, such as the acreage bonus, the minimum price of wheat and the active administration of the Prairie Farm Rehabilitation Act. I disagreed with him in connection with the minimum price of wheat, because I thought the price of 70 cents a bushel was too low. He has not tried to wiggle out of facing the difficulties in which agriculture finds itself. He has met these questions face to face, whether in Saskatoon or in London, Ontario. Wherever he has been, he has made out a splendid case for himself. He has told

them straight from the shoulder what the situation was and has not tried to paint any glorious picture for agriculture. He has not advised people to go into the production of pork products or some other commodity, but has explained to them the situation as he saw it. When he returned from England he told the people the exact situation that had been presented to him by the British government. He told the people the details of the wheat situation that existed. He did not rise in his place in the house and advise the farmers of the country to go into the raising of this or that commodity.

The minister has been criticized by the industrialists of the east because he had the courage to rise in his place in this House of Commons and defend his leader when he was being attacked. It was being said that our leader was not a good war Prime Minister although he was all right in peace time. When the minister told the industrialists that the young men in their employ would have to take military training, he was taking the long view of this situation. I think in a year or so the minister will be vindicated. After all these guns are manufactured, there will have to be someone to shoot them. What will these particular factories do when the young men go into training? They will have to change their system and employ older men. That is exactly what the minister was advising them to do, and yet there was a storm of protest in the eastern press.

Everyone wishes to do his or her part in this great war effort. When the minister initiated this national salvage campaign he left it to the members of the House of Commons to do their part. Yet we have one hon. member rising in his place and using most unparliamentary terms when he said that we were supposed to collect bones and scrap-iron. It must be remembered that those particular commodities are made into explosives and guns which will be placed in the hands of our fighting forces. In 1920, Doctor Charles F. Horne, editor of The Great Events of the Great War said:

> The war could no more have been avoided than an earthquake or any other cataclysm of nature's unknown forces. On the one side loomed the German character of strength and patience, of selfish caution in adversity and vain and reckless arrogance in power. On the other, glowed the sunlight of democratic civilization, which has taught all people to aspire to equality, and to prefer death to slavery. Given these opposing forces, and their clash was inevitable. The marvel now is only that we were slow to see the ominous approach to the disaster.
>
> "The war that shall end all war!" Has the human race passed through that stupendous final experience of the great tragedy, the terror and the splendour and despair of destruction and devotion? We may all hope so, but mere hope will do little to change the future. Until the great majority of mankind have been educated into the true democracy, until each one has grown to say in his heart, "I want the same rights and opportunities as my neighbour, and no more", until that altruistic day arrives, strong and selfish men will still somewhere continue banding together in ever broader and craftier conspiracies to snatch the pleasant richness of life from those who seem too feeble or too ignorant to resist.

These words were uttered twenty odd years ago, and I am sure they are as true now as when they were uttered. I realize, of course, that the government has a difficult time in converting Canada into an arsenal. There have been differences in specifications as between this country and the rest of the empire; frequently more difficulties and delays through the changing of specifications, and other difficulties no doubt through a desire not to set up in Canada rivalries in trade.

There have been domestic problems, the difficulty of obtaining tools and skilled mechanics. Yet the impression has spread abroad that there has been too much officiousness in this country and not enough efficiency. Of course we have these high-priced Tory dollar-a-year men like MacMillan and the rest of them who are such characters that no one will ever say a word until the minister first makes a statement, and in that way they allowed controversy to develop throughout the country, with reflections being cast on the aircraft industry. I admit, however, as the minister says, that we are a young nation. We are "in the mushroom stage", he said, but it will be necessary for us to harness all our human resources to our natural resources if we are in the years to come to be strong enough to break Germany's war machine.

Until now we have had the ministers rising in their places and making formal statements out of which one can take any meaning at all. I was sitting on the other side of the house one day and I heard one minister say to another as he sat down, "Well done, you told them nothing."

We must educate public opinion, and in that regard we have failed badly. Before the Minister of Munitions and Supply (Mr. Howe) made his statement in the house concerning the aircraft industry, there was a terrible feeling throughout the country. Yet when the minister gave his explanation of the aircraft situation he showed that the aircraft industry was not in such a bad plight as we thought it was. We had thought we were in a very bad spot in this particular branch of production. This could have all been cleared up if members of the house had been given the information.

There was a splendid address given by Mr. Carmichael over the radio to-night. He showed the production of aeroplanes in the United States and how our production was going, and he gave a satisfactory explanation to the Canadian people. That explanation, however, should have been given long, long ago, before the public mind had become unsettled. If members of the house had had any information, they could have given it out to the public, but of course they would never get any information!

People need inspiration to produce their utmost war effort. Propaganda has become one of Hitler's most important weapons in this new type of war. As J. B. Priestley pointed out in a recent radio address, Hitler tries to sap our resistance by telling us of the horrible things he is going to do to us with the aid of secret weapons and secret machines. What we should be doing is telling him and the Germans of all the horrible things we may have in store for them.

One of the most important changes that we could have in the administration would be to have a ministry of enlightenment. I realize that some of the ministers would not want that because they do not want to disturb too greatly the ordinary methods of gathering the news, but I am sure that, with the situation as it is to-day, even the newspapers cannot give accurate information any more than we can unless they are supplied with it.

The bureau of public information! If anybody ever tried to get information from that bureau, he would soon find out that it was not a bureau of information but a propaganda bureau.

Mr. HANSON (York-Sunbury): Hear, hear.

Mr. FLEMING: A propaganda bureau in the best sense of the word, not in the sense that the leader of the opposition takes it. I do not see why we should be afraid to call it a bureau of propaganda. Mr. Lash, the director of the bureau of public information, in its assigned task of propaganda, is doing an excellent job. But it has not gone far enough.

Mr. DUPUIS: Is he a Tory?

Mr. FLEMING: I do not know, but I suppose so. After all, a ministry of enlightenment could serve in peace time as well as in war, and we might include in that propaganda bureau a legitimate bureau of information, the archives, the national gallery, the national film board, the Canadian Broadcasing Corporation, the historical section now working in the national defence department, and possibly the censors, although I do not think any of the newspaper men would expect to get much enlightenment out of the censors. All of these different activities are now being carried on under a wide range of departments among which in many instances it is difficult to see any relationship. With the tremendous sums of money that are being and will be spent on our war effort, there is no reason why this information should not be gathered and given out to the public and why members of parliament and the newspapers should not have it.

Eastern Canada, and especially the central provinces, are to-day enjoying a measure of prosperity, and of course it is odd for us from the west to rise in our places in this house and say that agriculture and the primary producer were never in a worse plight than to-day. But wheat is a drug on the market. Farmers are unsettled in their opinion as to whether they are rendering any war service by trying to produce commodities and food products of various kinds. Mortgage companies are still collecting their interest.

With this oversupply of foodstuffs in this country we see at the same time the people of Britain on rations. It often occurs to me, why should we haggle about the price Great Britain is to pay for the commodities they buy from us? When there was overproduction in the United States during the depression they dumped their surplus products, their coffee and so forth, in the rivers, and ploughed under a great deal of their wheat. I do not see why we could not get some of this money that we seem to get so easily now for destructive purposes and use it for constructive purposes and pay our farmers for any surplus wheat or other war products that they might produce for this greatest of all causes. In the old days it was impossible to get any money, but now we can get all we want without any difficulty for destructive purposes.

"Oh," some one may say, "we have no ships." But Lord Beaverbrook said, "Go to the ends of the earth and get them." Members from British Columbia say that shipbuilding is not going on in that province to any marked degree, and members from the maritimes tell us the same thing. There are shipbuilders walking around with no work to do. I heard over the radio a few days ago that every shipbuilder in the United Kingdom had been conscripted for war service. Why do we not do that in Canada?

"A nation cannot exist half slave and half free," said Abraham Lincoln, and there is such a thing as economic slavery. A nation cannot continue half rich and half poor.

In Saskatchewan in the pre-war depression years, with no crop in the drought areas, we went through the worst period that any province ever went through. Now, when there

is an opportunity to do something for those people on western Canada's plains, those plains which in more peaceful times have been called the "bread-basket of the empire" and the "granary of the empire," has any effort been made to establish industry in western Canada? No. Hundreds and hundreds of people are walking the streets looking for work. They are skilled workmen. What do they do? They come from Saskatchewan to Ontario and try to secure work in some of the munitions plants. What are they told? That they are too old; "what we want are boys out of the technical schools"—boys who should be in the armed forces of the country and not taken into these places and provided with positions which should be given to these older people. Industries should have been established in Saskatchewan, and established long ago. In Saskatchewan another matter of grave importance with regard to which we have been discriminated against is the training of young tradesmen under this scheme of the labour department. The lowest vote which was allocated for this work of training young chaps was to that province. After all the hardship which our people have gone through, schools have been established only in the larger cities, although in every place throughout that province where there were sufficient applicants those schools should have been put into operation immediately. A few years ago we in the town of Humboldt had marked success with these new training schools; they did a splendid piece of work. The schools which have been sponsored by the Department of Labour would have excellent results. The young men who would be trained there would be fitted to go into the factories if they were not physically fit for the army, or, if they joined the armed forces, they would have some trade available to them upon their return to civil life when this struggle is over.

If we forsake these people on the western plains we shall be doing a grave injustice. We know that when an opportunity arose of establishing our economy on a healthier basis, certain interests sabotaged the Rowell-Sirois commission report; and that fact may yet become a stain upon our national conscience.

Citizens in every walk of life, in every province of Canada, wish to do their part in this, the testing hour of the nation. Let the government take the people of Canada into its confidence. Let them take the members of parliament into their confidence; after all they, just as much as the ministers, are representatives of the people. Let them do something to establish industry on these western plains. The people of our province will meet every financial call which may be made upon them. They will accept every defeat that comes to us, and they will accept final victory and peace in a truly Canadian spirit. I cannot see why we should have prosperity on the banks of the Rideau and not upon the banks of the Saskatchewan.

Mr. BRUCE: I wish to make some observations in connection with the questions I asked the minister of munitions earlier in the day.

First of all, I should like to congratulate the minister upon his safe return to Canada, and particularly to congratulate the government upon his safety, because we recognize him as one of the ablest and most efficient members of the cabinet.

The hon. member for Humboldt (Mr. Fleming) has suggested a reason why we on this side of the chamber have not criticized the government sufficiently, namely, that so many dollar-a-year men are Tories. Therefore, if I indulge in a little criticism this evening, I hope it will be regarded as constructive, and it will be remembered that I have been invited especially to make it by the hon. member who has just spoken.

I was sorry that the minister of munitions did not lay on the table of the house this afternoon the missing pages—Nos. 5, 6, 7 and part of 8—of the MacMillan report, giving as the reason that they contain highly confidential matter about guns. The refusal to produce those pages has aroused public suspicion that the minister has some other reason for withholding them, and that he has something to conceal. I think, therefore, that it would be better for the minister himself if he did as I asked him to do and set this suspicion at rest at once.

Will the minister tell the committee if there was any subject dealt with in the deleted portion of the report in addition to the production of guns?

Were any details given as to the various types of guns being produced?

Have we developed a new secret weapon to use in this war?

Mr. HOWE: I should tell the hon. member about that, should I not? That would not be a secret.

Mr. ILSLEY: Lay it on the table.

Mr. BRUCE: The hon. member for Humboldt has suggested that we have; and, if so, I think it would be a good thing to let the enemy know about it. Are we afraid that Germany will discover our methods of producing guns, when she has been making guns for generations past, and that it would assist her in the production of some new gun to use in this war?

Does the minister seriously think that the facts given about guns in the pages which he has deleted would help the enemy? Was there anything in those suppressed three and a half pages critical of the present method of administration or of the minister's proposed set-up for the future?

What about that portion of the report dealing with tanks "K," under the heading of "Mark III Cruiser Tank"? Would it not give much more comfort and information to the enemy to reveal our utter inability to produce tanks of the Mark III type until towards the end of the present year, as indictaed in this report from which I will read in a moment, than to withhold from them the knowledge that we can produce guns efficiently?

From page 6 of the appendix to *Votes and Proceedings* of the house for February 27, under "tanks," I quote:

(a) The problems are:—

(i) Armour plate to come from Steel Company of Canada—plant to be completed May/June 1941. May be delayed by equipment from U.S.A.

Mr. HOWE: I would remind my hon. friend that that is not my report. I was not in the country when it was prepared, and I may say for his information that the report is quite incorrect, in that the Steel Company of Canada are not making and will not be making armour plate. It comes from another Canadian firm entirely, and they are already supplying it.

Mr. BRUCE: Where is this plate being made?

Mr. HOWE: It is being made in Canada.

Mr. BRUCE: It is the Dominion Foundries, I assume. I may remind the minister of the fact that I told him in June last that these plates could be made in Hamilton at the Dominion Foundries plant.

Mr. HOWE: I told the hon. member that, as he will find if he refers to *Hansard*.

Mr. BRUCE: I believe, if the minister refers to page 570 of *Hansard* of June 6, 1940, he will see that I gave that information to the house and to him at that time.

Mr. HOWE: If the hon. member has it, let him read it.

Mr. BRUCE: I do not have it under my hand at the moment, but I believe that upon reference to *Hansard* the minister will find that the statement I have made is correct.

The next items are:

(ii) Engines—not yet purchased.
(iii) Transmissions—not yet purchased.
(iv) Suspension unit—not yet purchased.
(v) No drawings yet received for gun mountings.
(vi) Machine tools not yet all ordered.
(vii) If cast steel to be used instead of armour plate for hull, which seems likely, drawings are not yet complete.

(b) The contractors are excellent and if above delays are removed will make good time. Present estimates are to begin October 1941 and produce 60 by December 31, 1941 and 150 January to March 1942.

Then, with regard to Valentine tanks, the statement is:

(a) The problems are:—
(i) Slow delivery armour plate.
(ii) Slow delivery steel castings.
(iii) Some necessary components not arranged.
(iv) Machinery will be slow in arriving.

(b) This operation has gone slowly to date. Production is estimated to begin with 20 or more April to June 1941, reach 75 monthly by December 1941, a total of 550 by March 31, 1942.

(3) The slow progress in tank production is not necessarily an indication of what can be done when production of all components has been established and organized. If tanks are found to be necessary in larger numbers, production can be considerably increased, subject to taking labour, equipment and raw material from other uses.

Then on page 8 under paragraph (f) the following statement is made:

The situation therefore is: Canada already has surplus aircraft production capacity but requires some planning to arrange to use it economically.

From what I have just read, it will be seen that the production of tanks is in a hopeless muddle, and yet this information is published. Surely it will help the enemy more to know that we have fallen down badly in the production of such a vital arm as tanks than to know that we are making good progress in the production of guns.

Although the attention of the house was called to the importance of tanks in June last, particularly where the component parts could be made, I am very much disappointed that after a period of eight months more progress has not been made. I should like to read from an article in the Ottawa *Journal* of to-day's date by Ross Munro, a correspondent living in England, as follows:

These armoured units are Britain's ace weapon to counter-attack an invading force, and every reliance is placed in the tanks. The Canadian army tank brigade and armoured division, coming overseas this year, will be a welcome addition to this fast-growing branch of the army.

He quotes a colonel in England as saying:

This war is going to be tanks, tanks, tanks, and I maintain the Canadians, from what we have seen of them here, will be probably the best tank fighters in the world.

From the MacMillan report it will be apparent that there will be no cruiser tanks, Mark III, available until the end of this year. May I ask the minister whether this tank brigade will be sent overseas in spite of this, and whether they must again rely on Great Britain for their equipment? On page 1124 of *Hansard* the minister is reported as saying:

I offer the problem of aircraft production to anyone who cares to take it.

This would seem to indicate a degree of despair, futility and frustration. The minister indicates that the responsibility now vested in him is very onerous and he has given us a lengthy description of the principles of organization. If the situation is as the minister states—and I have no doubt about his sincerity, that he is anxious to do everything to further Canada's war effort—then I suggest to him that the best immediate contribution he can make is by divorcing the production of munitions from all types of politics. Why does he not do as the Ontario government did in the case of the hydro-electric system—name a commissioner and delegate full authority to him, including the selection of the required personnel to enable him to carry on efficiently and get results.

It is generally understood that Mr. MacMillan, after some months' experience as chairman of the war-time requirements board, recommended to the minister a scheme for the complete reorganization of the munitions and supply production department. May I ask the minister whether he agrees with the scheme outlined by Mr. MacMillan? If so, does he consider Mr. MacMillan sufficiently competent to be put in full charge of this scheme?

I do not happen to have the privilege of knowing Mr. MacMillan personally, but I know him very well by reputation, and, in common with the Canadian people generally, I have great confidence in him as a high-minded patriotic citizen who is unselfishly trying to do a great public service and who, they believe, is being hampered in his work by partisan interference.

In order to give the committee an idea of the kind of man Mr. MacMillan is, I should like to quote, from the Vancouver *Daily Province* of February 25 last, parts of a speech which he gave at a public banquet given in his honour in the city of Vancouver. I quote:

Mr. MacMillan said that in his own private organization, as in every well-run business in the country, the whole staff worked to the balance sheet. When there was anything wrong with that balance sheet the weakness was soon discovered and the correction made—in personnel or in method.

"It should be the same in our national life," said Mr. MacMillan.

"In this case the balance sheet of Canada is the war. Nothing else matters."

"If we find that our capacity for making an effective war performance—say in the supply of ships and guns and aircraft and munitions—is defective, then it should be our duty to make the needed change without delay—and we should make it with one single motive to increase the efficiency of our war effort."

"We should make it our business to see that our machinery for waging war is running smoothly, and in our effort to attain that objective we shouldn't be sidetracked by political, racial, geographical, religious or any personal considerations. All those relatively petty things should be swept aside ruthlessly. They simply don't count."

And further on:

Every person in Canada to-day should adopt this creed—to strengthen the national war spirit and avoid destructive criticism; to develop a true war spirit, to speed war production, to follow our constitutional form of government, to maintain the strongest possible government which in turn demands a strong opposition. We are not saturated yet with the critical value of the time factor. . . .

We have been too tolerant, too tolerant of mistakes and incompetence. . . .

If the state fails in this fight or if it fails to maintain balanced intelligent government—all is lost.

I think it is fair to conclude from the quotation which I have just read that something has interfered with the operation of the department that has to do with the securing of supplies. Is it not fair also to assume that it may be on this rock that the minister and Mr. MacMillan split before the latter left for the west some weeks ago? May I again urge that the atmosphere of suspicion be cleared away. I appeal to the minister, with all the force at my command, to make a frank statement himself and ask Mr. MacMillan to do the same, covering all the questions asked by me on Monday last, and thus relieve the public anxiety and suspicion that something is being hidden and that there exists a sharp conflict of opinion as to policy and administration between Mr. MacMillan and the minister.

I wish now to quote from an editorial in what we all have regarded as a Liberal newspaper, the *Globe and Mail* of March 4, 1941.

In speaking of the aircraft industry and the minister's published statement, it concludes in this way:

> There is reason to believe that craftsmen, executives and civil servants who are directly concerned with the production of needed equipment are profoundly dissatisfied with the manner in which the government is administering the Canadian war effort. The time has come when it is their duty to make public whatever information they may have of culpable neglect, political patronage, logrolling and sabotage.
>
> The defence of Canada regulations are not intended to suppress the free expresison of honest convictions, nor to protect a political party from the consequences of maladministration. An empire is at stake, and thousands of Canadian lives. We have entered the lists as champions of democracy. Who is to tell us that the basic principles of democracy shall be denied?

When Canada and all parts of the British empire are giving their blood and treasure, they have a right to demand that there shall be no delay in the production of guns, aeroplanes and other munitions of war with which to protect them and upon the speedy supply of which our very existence depends. There is a widespread demand that all supply and munition activities be divorced from politics, and that the administration, selection and control of all personnel concerned be vested in a non-political body. I warn the minister that there is a limit to the public's patience, and that limit has been almost reached.

Mr. HOWE: I do not wish to interrupt the type of criticism we are getting now, but I wonder how constructive it is. After all there has been a good deal of mention of newspaper comment about the way in which the Department of Munitions and Supply is being conducted; I should like to say that there is also a good deal of criticism of the way in which the opposition is being conducted. I think it is as fair to discuss one as the other. Hon. gentlemen opposite are free to discuss my conduct of my department, and I suppose I am free to discuss their conduct of the criticism.

What have we had from hon. gentlemen opposite? We have had the reading from *Hansard* of old remarks that I made months ago. The hon. member for Lake Centre (Mr. Diefenbaker) constructed his speech almost entirely from quotations from *Hansard,* of what I said last July and subsequently. This is committee; he is free to ask any questions he likes, but he picks up every forecast I have given and attempts to pour ridicule on it because the performance has not come up to the forecast. Is that constructive? Any forecasts I gave were my opinion at the time, formed after careful analysis of the situation as we saw it then. Subsequent developments in some instances—not many—have produced a different situation. Is it constructive to throw that up, read it two or three times over, make much of it and say "Ha, ha!"? Hon. gentlemen wanted a frank statement of the present position and I gave it to them as well as I could. Then I said I had a confidential report from Mr. MacMillan. Someone said, "Lay it on the table." Well, I laid it on the table. It was not my report; I had nothing to do with its preparation; some parts of it I did not agree with; it was made in a short time; possibly if more time had been available, a more accurate report could have been made. When asked, however, I laid it on the table. I did reserve one section, the section on guns, because the dominion's office in Great Britain had cabled this government to ask us not to give out any information about guns. I explained that before I laid the report on the table; I said I was prepared to lay the rest on the table if it were understood that the gun information in it was confidential. The leader of the opposition (Mr. Hanson) agreed to that at the time; he repeated that he understood the situation and did not expect me to go further.

We have also had speeches quoting editorials almost continuously. Even the leader of the opposition followed my statement with a speech which I have had compared with extracts from the *Financial Post,* and I find that both the contents and language of his speech were taken almost wholly from *Financial Post* editorials. Editorials from the *Telegram* and the *Globe and Mail* have also been quoted. Everyone has read these editorials. We can at least say this for the press, that they do attempt to get information, accurate information, and expend some effort in doing so.

Mr. HANSON (York-Sunbury): If I quoted from an editorial in the *Financial Post* I was quoting facts. I have no ghost writer; I can tell my hon friend that.

Mr. HOWE: Would my hon. friend like to see the two paraphrases? At any rate I think he will not dispute the statement that his speech came from that paper. Let me ask this question: did any member of the opposition ever go into a munitions plant? I admit you are likely to get your clothes a little soiled, but it might be interesting to any hon. member who desires to criticize the efforts of this government to go and have a look.

Mr. BRUCE: I have gone through two.

Mr. HOWE: Which ones?

Mr. BRUCE: The National Steel Car plant at Malton and at Hamilton, and the Dominion Foundry plant at Hamilton.

Mr. HOWE: The hon. member has not said anything about them here. Does he not think it would have been enlightening if he had said he saw this and that, instead of reading editorials from newspapers? I wonder whether any other hon. member has ever been inside a munitions plant. After all, any hon. member who cares to visit any plant can get permission to do so from our department, and I suggest that if they wish to be constructive in their criticism—and I am sure they do—it might be just as well to go and see what they are talking about before making random statements here. I doubt if it is profitable simply to dig up old statements of mine, and to repeat them again and yet again. I am certainly not going to give any more forecasts; hon. members may be sure of that. I think intelligent forecasts are to the benefit of members of the house; they are some help. But I do not care to give them, to be taken up six months hence with the remark, "Instead of having this Tuesday it came on Thursday"—or perhaps Friday. Why should I? After all, you get what you ask for.

I do not like to lecture. I like to be lectured, and I am enjoying myself very much. Nevertheless I offer that to hon. members opposite. Why not be a little bit constructive, if you are attempting to help us win this war, and give us something that is of use to us, instead of turning over a lot of old straw for the fifth, sixth or seventh time?

Mr. HANSON (York-Sunbury): Would the minister like me to answer that?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): I thought I answered it fully and truthfully two days after the minister made his statement. After the minister had, on Thursday, given us the information with respect to these things, I said that had it been given earlier, much of this criticism would have been avoided. I offered that with the utmost good-will.

Mr. CRERAR: Why continue, then?

Mr. HANSON (York-Sunbury): I am not going over it. But these hon. gentlemen are just as free to rise in their places, in opposition, and say anything they like, as was the hon. member for Humboldt, who gave a burlesque in this house to-night.

Mr. HOWE: I just wish to say this. This is the one opportunity probably in this session when hon. members may ask any questions they like about the munitions programme in this country, and get the best answers I can give. I do not think another opportunity will come. Well, why not use that time intelligently, instead of using every old editorial, and old *Hansards*? I offer that suggestion in all good faith.

I have been accused of losing my temper. Perhaps I have a manner which gives that impression. But I do not recall that I have been heated at all in this debate, and I am not heated now. I am rather tired of hearing editorials. I have a clipping bureau, and I think I see most of them, in my odd moments. I am tired hearing them read to me over and over again. We have heard the statements that appear in the old *Hansards* which have been read. But let us, please, have a little of a fresh type of criticism.

Mr. HARRIS (Danforth): I do not feel disposed to take this lecture lying down. I do not think it is necessary, and I do not think it is in the best form. After all, we are a democracy, or are supposed to be.

An hon. MEMBER: We are at war.

Mr. HARRIS (Danforth): And we are not going to take any form of dictatorship, no matter who the minister is.

While I am on my feet I should like to make one or two observations along the lines of those I made at the last session. I am greatly concerned with the manner in which the department sees fit to spend money as capital expenditure for new buildings, when so many first-class buildings are available. To a large degree, in many of the large centres buildings are under construction, with steel work completed, which could be taken over by the department, or by those who are accepting contracts, or who are accepting moneys for working capital in connection with carrying out the contracts they have in hand.

I would place on record facts respecting three premises of real magnitude in an area within one or two miles of the John Inglis plant at Toronto, a plant in which large sums are being spent by way of capital expenditure. When I have recorded these facts I shall resume my seat.

First, I should like to mention a building which will soon be completed and which is owned by the Dominion of Canada. I refer to the post office building at the corner of Fleet and Yonge streets in the city of Toronto. Acres of floor space are available in that building. The building is completed. It is not yet occupied. At this point let me digress for a moment. If buildings of this kind were taken over by the Department of Munitions and Supply and put into production

for war purposes, our people would be seized with the idea more and more that we are at war. They would tend to give more thought and more energy and would subscribe to more war savings certificates—and I ask the Minister of Finance to take note—if the department would take over buildings of the kind I have mentioned.

The second building I have in mind is at the corner of King and Bay streets. This is a large bank building, the steel construction now reaching the ninth and tenth floors. Several acres of floor space are available. Foundations are laid down to bedrock thirty-five feet below the ground. Work to complete that building has been stopped. Perhaps it is not the exact type which would be required for the work being done so extensively by the John Inglis plant. But we do know that new buildings not nearly as well constructed as the one I have mentioned are being built, from the ground up, and that there is delay in having them built. Here is a building the main structure of which is completed. The ministry should take charge of it, brick it in and have a war industry right at the corner of King and Bay streets in the heart of Toronto. Would the people in that area not be seized with the idea that there is a war on? Would they not give more and more attention to the war effort?

The third building I have in mind is one operated under a lease by the National Stone company on Logan avenue, in Toronto. It is a building 300 feet by 300 feet, and is equipped with a total of eight cranes, some of which will lift loads of fifty tons. The siding is constructed, and would lend itself admirably to some of those contractors who are using some of the working capital we are voting, to build new structures. They need not spend that money for new structures when a structure of the kind I am describing is available, and lends itself admirably to the job of completing war contracts, and to speeding up and getting on with war work.

What obtains with regard to those three large structures I have mentioned, one of which is controlled by the government, one by a banking institution and the third by an estate, obtains elsewhere in the same city. I have mentioned just those three. I have in mind, of course, the non-practicability, as it were, of doing jobs of work on a smaller scale, and having different operations separated one from another. But I bring to the attention of the department, many, many, many contracts which could be completed in buildings already available.

I see the Postmaster General (Mr. Mulock) wishes to tell us about the post office in Toronto.

Mr. MULOCK: I should like to ask the hon. member a question.

Mr. HARRIS (Danforth): I will just finish my sentence—oh, all right, go ahead.

Mr. MULOCK: I should like to ask if the hon. member is referring to the city delivery building in Toronto?

Mr. HARRIS (Danforth): Yes.

Mr. MULOCK: Then I may tell him that the end of the tunnel, between the post office building proper and the city delivery part, has been bricked up, and it is now under the control, I understand, of the Department of National Defence. I do not know how long, in view of the increase in volume of business in Toronto, it will be possible to let them have it; but the hon. member will be glad to know that the government thought of that, long, long ago, made the necessary arrangements, and completed it for the purpose of assisting in this war effort.

Mr. HARRIS (Danforth): I am very glad to hear that deposition from the Postmaster General. Inasmuch as that gigantic building is more than half idle at the present time, let us get on with it, and see to it that the Department of National Defence is in there and is doing a job, and letting the public know about it. Let them know that the department is commandeering idle buildings across the country and getting on with the war effort.

Getting back to the general theme I had in mind, let me say that what obtains in respect of those three buildings, undoubtedly obtains across Canada in like measure. For instance, I have in mind the Smiths Falls plant, and buildings of that kind. That plant was reconstructed, and is now entirely idle. It may seem sensible to separate the units of manufacture, and I agree with the engineers and the department that if this were a long term twenty-year job, then that should be done. But I pray to God that this war will be over soon. In the meantime let us use every building available and be careful not to dissipate our resources by making capital expenditures which in the course of time will prove to be extravagant.

As the Postmaster General has indicated, other departments of the government would be glad to turn over their buildings. The Ontario college of agriculture has stated its willingness to turn over its buildings. I am satisfied that the banking institutions would be willing to do the same. I would refer to the one gigantic building in Toronto already

in steel. If they did not feel so disposed, one move of the hand by the Minister of Finance (Mr. Ilsley) would put them in the right frame of mind. There is the other building I mentioned with the cranes already on the ground, yet similar cranes are being purchased for the fitting up and equipping of the plant of the John Inglis company. Similar cranes will also be purchased for the fitting up and equipping of the plant at Pickering, which did not exist but now exists. Similarly with the plant at Scarboro.

I admit that, taking the long range view, it might not be the most desirable thing to do, but we are facing an emergency. The Minister of Finance is asking the people to subscribe for war savings certificates. The people should be gripped with the idea of the magnitude of this job of work. Every opportunity should be taken to bring it to their attention and to demonstrate that there is economy in our outlays of capital expenditure. The people must be made to realize that we are commandeering building and space; they must be made fully conscious of the spot we are in. Every move in that direction will be of benefit to this war effort.

Mr. GARDINER: The discussions so far on this resolution which was before the house and which is now before the committee have been largely with regard to expenditures having to do with munitions and supply. I think it was February 25 when the discussions began. Since that time I have been waiting for an opportunity to make a few remarks with regard to the particular part of the war effort charged up to and coming under the Department of National War Services. I desire to make these remarks at this time partly because of certain information which is available now and which neither the house nor the public know of at the moment and partly because of certain criticisms which were made prior to the meeting of the house with regard to the reasons for the registration, the method by which it was carried out, and the results obtained.

It will be recalled that when the Department of National War Services was set up, there was assigned to it the task of making a registration of the human resources of Canada and, in due course, of making a survey with regard to the material resources. The department was asked also to take charge of the bureau of information, which has been referred to from time to time during the debate. We were asked to bring about, if possible, the coordination of the efforts of those who were engaged in collecting from the people of Canada funds with which to carry on voluntary services.

The task given to the department in connection with the registration had for its objective two different results. The first was to obtain men for the training camps. The initial desire of the Department of National Defence was that these training camps should be operated for thirty days and that something between 25,000 and 30,000 men should be obtained for six weeks in order to fill the camps. Before a call could be sent forth to the young men required for these camps, it was necessary to have a registration in order to know where they were. In addition to that, it was thought wise to make a registration of all persons from sixteen years upwards in order that we might know something of the capabilities of the general population of Canada and also have a better check upon that population. I think some of the remarks made in the House of Commons at the time, most of them by hon. members of the opposition, which I intend to quote in a few moments, indicate as clearly as anything else the feeling with regard to the registration itself.

Before going on to deal with the registration, I should like to add my protest to the protests made by other members of the government, including the Prime Minister (Mr. Mackenzie King). I do not protest because criticism of the government has been offered or because there has been criticism of this particular department or of the registration; I protest simply to draw attention to the nature of the criticism which has been offered by certain sections of the press across Canada. I have no objection at any time to criticism; as a matter of fact I invite it, provided it is based upon facts and not upon statements which are not facts. I admit that criticism, particularly in war time, is helpful. It has been said that ministers in the government have too much to do, and yet many times those who say that have been adding more to the tasks of these ministers than any other group or organization in the Dominion of Canada. This criticism has appeared in newspapers across Canada with large circulations. They have published what are not the facts and have made criticism which was not based upon things being done in the different departments of the government.

When criticism of that kind is offered it requires more effort and uses up more nervous strain and delays the activities of the particular department more than anything else being done, either inside or outside the dominion. When once wrong information is given to the people of Canada by the press of the country, it is necessary for the department and the minister involved to clear up such criticism before the effort being put forth by the department can be carried on to

a successful conclusion. There has been much criticism of members of the government as to why this or that has not been done, as to why there has been delay in doing this or that. Those who were criticized should be and, I think, are expected to make answers to the criticisms, and probably to criticize those who made the criticisms. My criticism of the press, more particularly a certain section of the press, would be this, that there is no organized group in the dominion that has done more since the fall of 1939 to delay the war effort of this country than certain sections of the press in Canada. That effort started even before war was declared, and it has been carried on since.

I agree with my hon. friend the leader of the opposition (Mr. Hanson) when he says it is a mistake politically to get into a controversy with the press because experience has shown that they always have the last word and that if you start an argument with them you are starting something which you cannot end. Nevertheless I believe at times it is necessary that the facts with regard to criticisms of that kind should be stated and that someone should say what he considers to be the effect of that kind of criticism upon the war effort.

In times of war none of us is so much concerned about the political effect of his remarks as he is in times of peace, and if it is necessary to dispute the opinions and expressions given through the press in war time, we must do so despite the political effects it may have.

Some criticisms have been made with regard to the method by which the registration of man-power or the human resources of Canada was carried out. In order to clear up any misunderstanding there may be with regard to the registration itself, either as to the reasons for it, or as to the methods by which it was done, or as to the results obtained, I wish to give a review of what took place in that connection.

Mr. HANSON (York-Sunbury): Does the minister suggest that we at any time criticized the national registration? On the contrary, will he not say that we assisted in every way? The only criticism that I ever made was that it came too late. I remember saying that.

Mr. GARDINER: I think the leader of the opposition will agree that up to the moment I have been talking of criticisms from the press.

Mr. HANSON (York-Sunbury): Then I have nothing to say.

Mr. GARDINER: Anything I have to say with regard to the question just raised I shall say as I go along.

The government of Great Britain conducted a national registration either immediately after or immediately prior to the outbreak of war. Australia, New Zealand, south Africa, and I think most other parts of the empire did the same thing immediately after the outbreak of war. It was suggested in this country by some—I do not think by any members of the opposition—that since we were going to have a census taken in 1941, a registration in Canada perhaps was not as necessary as it otherwise might have been last year. But there is a difference between a national registration and a census. In a census you secure information, and that is the end of your contact with the individual from whom you secure the information. But a national registration is a continuing process in that it involves each individual registered carrying a national registration certificate, and records of changes of address, changes of marital status and death being continually kept.

Following the collapse of France, there was an insistent demand both within and without parliament that there should be a national registration in Canada. I have taken the trouble to go through *Hansard* and obtain from it the requests by different members that a national registration be made. There are quite a number of them, making up some seven pages of extracts of a few sentences from the speeches of different members. I shall read only one or two to indicate that these requests came from different parts of the house. The hon. member for St. Paul's (Mr. Ross) said, speaking in the house on the 24th of May last:

> In my view we should have a national registration of every man and woman in Canada; if we do not, I wonder how we are going to find out about subversive influences?

The hon. member for Waterloo South (Mr. Homuth), speaking in the house on May 27 last, said:

> The general feeling among the people to whom I spoke is that one way of overcoming this trouble is to have a national registration of the men and women of the country with a view to having a list of those available for war work.

Then the hon. member for Peterborough West (Mr. Fraser), who in commenting the other day upon the salvage campaign had the kindly thought to add to his remarks with

regard to it that we might term the Ministry of National War Services the Ministry of Garbage, had this to say:

> The hon. member for Waterloo South suggested that we have national registration. With that I wholly agree, and I do not mean that we should have it in 1941.

I think that is sufficient to indicate that there was a request for national registration from the opposition side of the house; I could cite remarks made by members in each of the other groups as well as by members on this side to indicate that the request was made generally throughout the house, and finally it was agreed that a national registration should be made.

My hon. friend the leader of the opposition called my attention to the fact that an appeal was made to the members. That appeal was made first by the hon. member for Danforth (Mr. Harris), that all the members of the house should be asked to assist in the making of this registration, and that appeal was answered from this side of the house with consent to do so. As members of the house know, to that end each member was asked to take charge of the organization in his own constituency, and the voluntary effort that was put forth as a result of the efforts of the members of this house was something of which every member can well be proud.

The only further reference I have to make to the remark of the hon. member for Peterborough West is this, that the second effort we have made to enlist the support of all members of the house was when we appealed to them to assist National War Services in connection with its salvage campaign, and there again, so far as I know, the greater part of the members are participating in this voluntary effort in the same spirit as that in which they undertook to help in the work of national registration.

But I would say this, that it is not particularly helpful or encouraging to the minister who appeals to members to do that kind of thing when we have the type of criticism that we have had from one or two within the house with regard to that particular campaign.

Mr. FRASER (Peterborough West): Mr. Chairman, may I say a word?

The CHAIRMAN: The hon. gentleman can put a question, but he cannot interrupt the minister.

Mr. HANSON (York-Sunbury): Let the minister proceed.

Mr. GARDINER: I only wish to point out again that members from all parts of the house, including the hon. member for Peterborough West, were anxious that the registration should be made and that we should have the assistance of all the members in making it.

Next, a committee representative of all departments of the government which would be concerned with the information to be procured from the national registration was set up in June last, under the chairmanship of Doctor R. H. Coats, dominion statistician. This committee prepared a questionnaire which was subsequently submitted to the Canadian people. Only one addition thereto was suggested by the government, and that was question 17 which was added to those on the questionnaire and which asked registrants if there was any special training they would like to receive in connection with industry.

The government decided, as a matter of policy, that the national registration should be conducted under the direction of a new Department of National War Services, and the registration was conducted under my direction as minister and under the deputy ministers who were appointed for that department.

Then the committee, under the chairmanship of Doctor Coats, recommended that the actual registration should be done on an electoral division basis, as nearly as possible in the manner of an enumeration for a dominion election, and through the instrumentality of the chief electoral officer and his staff. This recommendation was accepted; the chief electoral officer was appointed chief registrar, and the actual registration was carried out under his direction.

General supervision of the registration was carried on by the associate deputy minister of the department, that is, Mr. Justice Davis.

The said committee, under Doctor Coats, further recommended that, when the registration was completed, the information secured thereby should be compiled by the dominion bureau of statistics. This recommendation was likewise accepted by the government.

I wish at this point to explain that there have been no staffs in the Department of National War Services associated with the compilation and recording of these statistics. Those staffs have been entirely in the bureau of statistics in the Department of Trade and Commerce. The staffs have been supplied by moneys secured under the vote which we are now discussing in the house, as a result of an appeal made to the government by the minister in charge of war services.

It was necessary to provide a new building for the housing of the equipment and staff necessary to do the compiling of this information. This building was completed on

or about the 30th of September, 1940. This, I would like to comment, was not bad, considering the fact the department was not established until the month of July. The registration was under way, and the building was completed in time for the information to be taken to that building and the staff to be employed in it.

The dominion bureau of statistics completed moving into the building and the setting up of all necessary machinery about the middle of October; the hundreds of tons of registration cards which accumulated between this date and the completion of national registration were taken over by the dominion bureau of statistics, and the actual work of compilation was started.

The first job which confronted the dominion bureau of statistics was as follows: It was the duty of the deputy registrars in the various polls to copy the cards of the single men, 19 to 45, so that copies could be used for military purposes. When the cards came in, it was found that some constituencies had made copies but sent them here. In other constituencies no copies had been made. The bureau of statistics had to get busy at once to straighten this out and furnish the divisional registrars with missing cards.

The next job undertaken was the compilation of the material with respect to Doukhobors and Japanese. This latter was urgently required for consideration by a committee dealing with the Japanese problem on the Pacific coast.

Prior to the national registration, consideration had to be given to the problem of priority in the matter of compilation of accumulated material, and a decision had to be reached as to whether or not the first job would be to get the statistical picture of the human resources of Canada, namely, the number of males and females of different ages, classified into provinces, according to occupations, nationality, condition of health, et cetera.

This information could be used only for the purpose of deciding broad matters of governmental policy with respect to the utilization of man-power in Canada. You would know from these statistical studies, for instance, how many plumbers there were in Canada, what provinces they were in, information with respect to their experience, age, nationality, et cetera, but you would not know who the actual plumbers were or where they were.

A different method of compilation was necessary in order to procure the last mentioned information. That is, it was thought that it was more important for the time being that we get statistical information which would show the name of the individual, where the individual was living, and what that individual was able to do, than it was to get the broad statistical picture first in order to formulate government policies upon it.

Prior to the outbreak of war, a committee, representative of several departments of government, had been formed to prepare a list of what might be termed "reserved, preferred or specialized occupations". It was not the intention that they should be reserved in the sense that these persons would not be available for war service, but it was intended that they should be persons who were prepared for work in some industry which would be essential to the carrying on of the war. This means a list of occupations which would be directly or indirectly connected with industries necessary to war and in respect of which consideration would have to be given to the wisdom of withdrawing persons therefrom to permit them to enter the armed forces.

This list, as enlarged by the dominion bureau of statistics, contained approximately 1,250 occupations. That is, the bureau of statistics divided these different industries which might be considered essential or preferred into 1,250 different groups. It should be pointed out that this list was prepared on an occupational basis and not on the basis of industries. For instance, a man might be working in an occupation in a war-time industry, which occupation itself would not be a specialized or trained occupation, and his withdrawal from such industry would not prevent or interfere with the proper functioning of the industry. The case of the common labourer would be an instance in point.

It was decided on the advice of a committee, headed by Doctor Coats, that the first job to do was to get out a list of persons engaged in these "specialized, reserved or preferred occupations", and that the procuring of the general statistical picture should await the preparation of this list.

As soon as the national registration cards in the possession of the dominion statistician were in a position to be used, they were gone through. Incidentally, the dominion statistician received about eight million cards as a result of the national registration. From these eight million cards there were extracted approximately 1,800,000 cards of males and females who belonged to these "specialized or reserved occupations".

This group was then broken down into three categories, which were made up from the answers to these three questions: No. 14, occupation or craft; (a) present occupation (b) what is your regular occupation? (c) what other work can you do well? Through those three questions there were selected the persons that constituted these different groups,

although they did not take in all the persons who answered those questions. Some of the answers did not show them to belong to these specialized groups.

As I have said, this group was broken down into three categories or three lots as follows:

(a) A list of persons trained in these specialized or reserved occupations and presently engaged therein.

(b) A list of persons whose regular occupation was a specialized or reserved occupation but who were not at the time of registration working in their regular occupations. They might be temporarily engaged in some other reserved occupation but, at all events, not in their regular occupation.

(c) A list of persons who had training in a specialized or reserved occupation but were not presently engaged in such occupation, or whose regular occupation was not the occupation in which they had special training.

These lists—three in number, as above indicated—also show persons with training in any of these reserved occupations who were unemployed. I may say that I have before me that list with regard to the province of Ontario, and the figures on that list illustrate very well the situation existing in that province. Very shortly, figures will be ready for all the provinces of Canada upon this basis. Just to illustrate the nature of the information which is available with regard to these 1,800,000 persons, may I call attention to this: In Ontario there are about 1,350,000 males of the ages that we are concerned with here in that province among whom these cards have been selected, and in dealing with those specialized classes to which I have referred, we find that 444,496 persons are at present engaged in the industry for which they are best qualified. There are 170,856 in the second group I spoke of; that is, they are not engaged in the industry for which they consider themselves best qualified, although they may be engaged in some other war industry. Then there are 289,948 who are engaged at something else, but who stated that they had had experience in doing work in some of those activities that are necessary to the carrying on of the war.

Turning over a number of pages, and coming to a group that might be of interest, let us look at miners and see how the group that have had experience or are properly qualified to be miners are divided up in Ontario. There are 15,136 persons specially qualified to work in mines and who are working in mines; 5,293 qualified to work in mines are not working in mines but are working at some other industry which might be important in connection with the war, for which they do not consider themselves quite as well qualified; 3,998 persons in Ontario have had experience in working in mines but are not working in mines now.

That will give some idea of the nature of the information available in connection with all these different 1,250 occupations spoken of in connection with these services.

Coming down to electrical apparatus, an employment in connection with which there is great importance as related to the war effort, we find that 6,909 persons in Ontario are working at part of the job for which they are best qualified; 2,664 are working somewhere but not where they think they are best qualified; 5,950 have qualifications to work in that industry but are not working in it. They are engaged, probably, in some other effort that may be made in connection with the war, but not in that one.

Then, coming to electrical repair men and service men, we find there are 1,950 men working where they think they are best equipped to work; 1,799 in the second class; and 4,242 in the third class. The third class, which is the one from which persons could be drawn and moved into an industry that they feel they can do a better job in than they are doing now, is more than twice as great as the number regularly working in that particular employment.

That is sufficient to indicate the nature of the information which is available now with regard to Ontario and which will be available very shortly with regard to all the provinces.

To give a little more detail as to what can be obtained as a result of that class of information being registered, may I say the result is that we have a list of all persons at present engaged in these reserved occupations, those engaged in other occupations but capable by training of being used in these reserved occupations, and those unemployed, capable of employment in these reserved occupations—that is, unemployed in these particular occupations.

To emphasize the vastness of the job which was required to be done, I am told that there are twelve miles of these names—that the sheets, with the names on them, could be piled from the floor up to the ceiling of any of the rooms where these documents are stored. I am told that you can go into the statistical department to-day where the lists are completely made up, as they are in Ontario, and, by tests up to date, inside two or three minutes a clerk can get you the name of any person who is on the list. He will get you information to show the address of that person, what he is working at, what he thinks he is capable of working at and not working

at. In other words, these lists are available. They have been made available to all the departments of government and are being used by the different departments.

These lists are now available for the industries of Canada and are being used by some of them. Let me give a concrete example to show how they can be used in a direct way. A manufacturing firm desire to know where they can find a list of persons with that particular type of training. For instance, they may want to know where they can locate tool makers. From these lists the dominion bureau of statistics can furnish to the industry the names, addresses, age, nationality, birthplace, years of experience, et cetera, and whether or not now employed, of all tool makers in Canada or in a given province or district in Canada. This applies to each of the 1,250 specialized or reserved occupations.

That last remark will apply within the next few days, when the statistical information is completed, to all the provinces. At the present time it covers a very considerable part of Canada and is entirely completed for Ontario.

In this way any industry seeking men to be engaged can be given the names, addresses and locations of such individuals and can be advised whether or not they are working in that trade or in any other trade, and whether they are employed or unemployed. This was a tremendous job and was completed at the end of January. As soon as it was completed, steps were taken to procure the same type of information in connection with agriculture, and these agricultural lists will be available very shortly for the provinces of Canada.

On completion of this work, the dominion statistician then turned attention to the preparation of the statistical tables necessary for the use of the government and the departments of government—that is, for the formulation of general policy. The first series of statistical tables being prepared gives statistical information with respect to the lists of specialized or reserved occupations which I have mentioned. It gives us a statistical picture of the numbers at present employed in these specialized or reserved occupations, those whose regular occupation is a specialized or reserved occupation, and those who have had training in such specialized or reserved occupation.

These are broken down by sex, age groups and occupational status. Then a statistical study is being made of the registration as a whole—that is, a statistical study of the entire 8,000,000 cards. I have here certain information, again with regard to Ontario, which I am not going to go over except to say that if the house would permit me to do so I should like to have this short table put on *Hansard,* because it gives simply the total population of Ontario over sixteen years of age, dividing it into age groups, into males and females.

The table is as follows:

Table 1—Ages

	Total	Males	Females
Total.....	2,731,580	1,355,240	1,376,340
16-19.....	268,180	130,460	137,720
20-29.....	601,780	286,670	315,110
30-39.....	539,990	270,770	269,220
40-49.....	471,700	239,670	232,030
50-59.....	398,960	208,870	190,090
60-69.....	266,520	132,910	133,610
70	182,970	85,570	97,400
N.S.	1,480	320	1,160

Then there is another short table that would be most interesting if placed on *Hansard,* giving as it does a set of figures that would be very helpful. It shows the nature of employment in Ontario. This is what is called table No. 14, occupational and employment status. It again gives the total population, dividing it into males and females, and gives the number of employers, the number of wage earners, the number employed, the number of homemakers, the number retired, students, those who have never worked and those who are invalid. If the committee will permit, I should like to have that group placed on *Hansard* for the benefit of hon. members. It will show some very interesting information, including figures like this; unemployed in Ontario,—that is on their own statement—males 73,010, and females 32,020.

The table is as follows:

Table 14—Occupational and Employment Status

	Total	Males	Females
	2,731,580	1,355,240	1,376,340
Employer	103,640	97,590	6,050
Own account...	234,210	217,010	17,200
Wage-earner ..	1,153,680	845,760	307,920
Unemployed ...	105,030	73,010	32,020
Home maker...	845,060	....	845,060
Retired	119,080	82,120	36,960
Student	63,960	27,630	36,330
Never worked..	100,400	8,300	92,100
Invalid	6,520	3,820	2,700

That is the nature of the information which is being made up with regard to the whole population, the eight million people in Canada. This statistical picture will show the number of males and females, with emphasis on the following break-down: age, conjugal condition, birthplace, birthplace of parents, year of immigration if an immigrant, year of naturalization, racial origin, official languages spoken, other languages than English and French spoken, educational status, condition of health, disabilities, pension status, occupational and employment status, weeks since last employment if unemployed, weeks worked in twelve months prior to August 1, 1940, farm back-

ground, experience with horses, tractors and machinery, experience in milking and other farm work.

This will be followed by an industrial classification together with statistics as to numbers of dependents, family occupations, complete details as to occupations et cetera. These statistics for the province of Ontario I intend to file. I do not think I have a copy here to-night, but I will file it to-morrow.

The same information for all the other provinces of Canada will be completed shortly and will be duly filed.

Arrangements have been made with the various departments of the government that any department wishing to procure information with respect to name, address and location of persons, whether employed or unemployed, with any particular type of training will requisition this information from the dominion bureau of statistics, and lists will be immediately furnished.

It is interesting to note that tremendous use is being made of this national registration by the police forces of Canada. I remember one hon. member, I think it was the hon. member for Waterloo South, who made reference to that in the house when advocating that this registration should be made, that these lists would be most useful, and hon. members will recall that on the first day after the registration was made one of the German prisoners who had escaped from the camp was captured going across a bridge, because he did not have a registration card. In other words, that information is most valuable, as was stated by hon. members and others at the time. A staff of clerks is engaged continuously in getting out information for the police authorities.

It was decided to procure lists of all citizens in Canada of the Netherlands, Belgium, Denmark, Norway, Poland, Czechoslovakia, showing the names, addresses, marital relationship, ages, et cetera. This information was to be used for the military purposes of these governments. That is, these governments, as hon. members know, are practically all being conducted now somewhere outside their own countries, and when they wish to get the names of their nationals living in this country they are able to do so and communicate with those nationals if they so desire.

Mr. HARRIS (Danforth): Before the minister completes his statement, would he be good enough to indicate whether this information is sufficient for a census for the time being, while we are at war?

Mr. GARDINER: I said at the beginning of my remarks, when I think the hon. member was not in his seat, that there is a difference between a census and these statistics. The census is not my responsibility, and I prefer that the minister who is responsible should make his own statement in regard to it.

This information has already been put to use by the governments of Belgium, Poland and Holland.

The national registration was conducted on a constituency basis. When the registration cards came in, they were kept separate by constituencies and polling subdivisions. We are now engaged in rearranging these cards on an alphabetical basis, using the system known as the "soundex" system, which has been adopted from that used by the census bureau of the United States. As soon as this work is completed, if the name of a given individual is handed to the dominion statistician he can at once get out the card of such individual, thus permitting a constant check on the entire population of Canada.

I had the intention of dealing to-night also with a reference to the information bureau, but I see that it is now two minutes to eleven, and I do not think I shall undertake to make that statement to-night. I shall leave it for another occasion, either while we are discussing this resolution in committee or when we are discussing the individual estimate. But I wish, on behalf of the staff of the statistical branch, and the staff that was got together to assist the chief electoral officer, and on behalf of every member of the staff of the Department of National War Services, to thank each and every hon. member for the willing and effective cooperation which they gave to make a registration of this kind possible in the very short time in which it was done. I do not think the credit for it is due to the department or the minister or the deputy minister, or to any individual anywhere. It is due, first, to those who advocated the matter in this house and consented to its being done. In the second place it is due to the hon. members who cooperated in seeing that we got the greatest degree possible of cooperation in setting up voluntary organizations to help in the work, and also to the whole-hearted way in which all the people from one end of Canada to the other went into these registration booths in such numbers that in some places we had to get the police to regulate the passing of the people into the booths. In other words, the job was not to get them there but to handle them in the numbers in which they came, and the only reason why that was not an impossible job was that every booth was manned—or "womaned," if I may so express it—by staffs capable of doing this registration

in such a way as to make it possible to put all the information down in such form that I am able to refer to it to-night. I had the privilege of going into half a dozen or more of these booths at widely scattered points across Canada during the days the registration was being done, and when I recall the number of young girls between the ages of nineteen and twenty-two or twenty-three—

Mr. HARRIS (Danforth): School teachers.

Mr. GARDINER: —school teachers, and young boys who were engaged in this work, and then see the records that they made, I think there is a word of appreciation coming to two different groups in Canada, one being the teaching profession, and the other the young people of Canada to-day. The manner in which they assisted in carrying out that registration is worthy of comment, and I am sure will receive the full thanks of every hon. member.

Progress reported.

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

Friday, March 7, 1941.

The house met at three o'clock.

RULES OF THE HOUSE

INTERPRETATION OF STANDING ORDER 41 RESPECTING THE TABLING OF DOCUMENTS CITED AND LETTERS QUOTED

Mr. SPEAKER: On Wednesday last, March 5, I was asked by the hon. member for Rosetown-Biggar (Mr. Coldwell) to take into consideration standing order 41 and give an interpretation particularly of paragraphs 315 and 316 of Beauchesne's Parliamentary Rules and Forms, which deal with the question of the reading of documents and whether these documents should be laid on the table. When the hon. member made the suggestion I indicated that it was not the function of the chair to give advice to hon. members but rather that the Speaker was required to judge and interpret the rules of the house on any question raised in the course of a debate or in its proceedings.

The hon. member had in mind the discussion which took place that day and which had just been completed, on the question of privilege raised by the hon. member for North Battleford (Mrs. Nielsen), in the course of which she read a letter received from a correspondent. It might be well to state to the house the rule governing questions of privilege. It has been well stated in May's Parliamentary Practice, 13th edition, page 317:

> The house is always willing to extend its indulgence when an honourable member wishes to clear up any misrepresentation of his character: but that indulgence ought to be strictly limited to such misrepresentations, and ought not to extend to any observations other than by way of correction.

It was not necessary for me to give a decision during the discussion for the reason that the hon. member for North Battleford agreed to lay on the table the letter which she read.

There is no doubt as to the parliamentary rule which requires a minister of the crown who refers to a public document in the house and upon it bases an argument or assertion. That document, if called for, must be produced. The principle involved in such a proceeding is so obvious and reasonable that there does not seem to be any room for argument. It is the principle established in courts of law which prevents counsel from quoting documents which have not been produced in evidence. It has however been held that a demand for production and filing of any document should be made immediately and not at a subsequent sitting of the house.

There is no standing order which governs the quoting of private communications and we are guided mainly by custom and precedents. I have no doubt in my mind as to the decision I would have rendered with regard to the portion of the letter which the hon. member for North Battleford read into the records on Wednesday last. The contents of that letter are so serious that unless the hon. member, as such member, assumed responsibility for it, then, as Speaker of the house, I would have asked the hon. member to lay the letter on the table of the house or, alternatively, I would have sought the consent of the house that it should be laid on the table. However, the hon. member took the proper course in laying the letter on the table.

It will be noticed that in the letter there is a serious statement concerning an officer of the Royal Canadian Mounted Police, one of the departments of government; that it refers specifically to a function of government of a most contentious and delicate character in these war years, namely, the question of internment, and by reason of the publication of the portion of letter in *Hansard*, it may be properly considered of the nature of a public document. That is all the more reason why it should have been laid on the table and it might have been retained as a parliamentary paper.

It may not be, in other cases of a like nature, so easy to interpret the rules of the

house. For instance, an unsigned letter should not be read in the house. Mr. Speaker Lemieux so decided on May 16, 1928. Or a member may desire to summarize information contained in a communication, but the member giving the summary must take the responsibility, as a member of this house, for the correctness of the information he or she seeks to give. If an hon. member proposes to read a communication in its entirety, or even a portion, without divulging the name and address of the sender and the member refuses to take the responsibility for the truth and accuracy of the contents, I am clearly of opinion that such a communication should be laid upon the table, and particularly if so desired by any member of the house. In the present case I agree with the Prime Minister (Mr. Mackenzie King) that an hon. member is not entitled to read from communications unless prepared to place them on the table of the house. The principle upon which this is based is that where information is given to the house, the house itself is entitled to the same information as the hon. member who may quote the document.

HOUSING

ESTABLISHMENT OF GOVERNMENT-OWNED COMPANY TO PROVIDE ACCOMMODATION FOR MUNITIONS WORKERS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I desire to ask a question either of the Minister of Finance (Mr. Ilsley) or the Minister of Munitions and Supply (Mr. Howe) or both—I am not sure to whom the question should properly be directed.

I have observed in the press a number of dispatches relating to the institution of a large-scale housing project to meet the serious housing shortage existing in certain districts of Canada. This house has not been given any information respecting the government's proposals in this regard. Time and again I have emphasized that when this house is in session announcements of important proposals such as this should be made by the responsible minister in this house rather than communicated directly to the press.

I would ask the minister responsible for the proposed housing programme to give us at once or as soon as reasonably possible a full and detailed statement of the government's plans in this matter.

Hon. C. D. HOWE (Minister of Munitions and Supply): For some weeks it has become apparent that in a certain few localities the work of the department is being seriously handicapped by a lack of housing accommodation. In one or two cities it has become utterly impossible to attract the required number of workmen on account of the housing shortage. To meet that situation it has been decided to establish a housing corporation, a wholly owned government company, and Mr. Joseph Pigott has been appointed president of the corporation. Associated with him are six other directors whose names I have not before me at the moment. This corporation has taken over the studies which have been made by officers of the Department of Finance with respect to the housing problem, and it is expected that the corporation will make recommendations to the government shortly as to the best methods of meeting the most urgent situations.

I should like to emphasize that this is not a general housing project but is confined solely to housing that is found necessary for the successful prosecution of the munitions programme.

AIR FORCE

QUESTION RESPECTING DARTMOUTH, N.S., AIRPORT CONTRACTS

On the orders of the day:

Mr. P. C. BLACK (Cumberland): Mr. Speaker, I desire to ask a question of the Minister of National Defence for Air (Mr. Power), who I am sorry is not in his seat at the moment. Has an investigation been made into the situation with respect to the Eastern Passage airport contracts, where over $3,000,000 is involved? If so, has a report been made to the minister or to the government, and will a copy of the report be tabled?

I may add that this is in relation to certain questions which were asked early in December and regarding which a return was brought down in February. It is important that we have this information while the war appropriation measure is before the house.

Hon. J. L. RALSTON (Minister of National Defence): As my hon. friend has mentioned, the Minister of National Defence for Air is not in the house at the moment, and I would therefore ask my hon. friend to let his question stand as a notice.

Mr. HANSON (York-Sunbury): Until Monday?

Mr. RALSTON: I would expect so.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, March 6, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war.—Mr. Ilsley—Mr. Fournier (Hull) in the chair.

Hon. J. G. GARDINER (Minister of National War Services): Mr. Chairman, at the close of the proceedings last night I stated to the committee that I had dealt with the greater part of what I wished to say with regard to the registration of the human resources of Canada. There were one or two activities with which I did not deal at any length, merely mentioning them, on which I should like to say a few more words to-day.

First, there is the matter of the national registration of the young men who were afterwards called up or are being called up as recruits under the national war services regulations of 1940. Under these regulations, established under the authority of the National Resources Mobilization Act, all male British subjects between the ages of twenty-one and forty-five years inclusive, who are unmarried or widowers without child or children and who have been ordinarily resident in Canada since September 1, 1939, are liable during the continuation of the state of war now existing to be called out for military training for the purpose of the defence and security of Canada. The period of military training and the age class or classes to be called out are determined by proclamation of the governor in council.

For the purpose of calling out men for military training, Canada has been divided into thirteen administrative divisions, corresponding approximately to the military districts of the Department of National Defence. A board of three members, the chairman of which is a judge of the court of the district in which the administrative division is located, is entrusted with the application of the regulations in each administrative division.

The official immediately concerned with the actual calling-out of men is the divisional registrar. Upon receipt of a requisition from the Department of National Defence indicating the number of men required for military training in each administrative division, divisional registrars proceed to notify men for medical examination who are in the age class or classes rendered subject to call by proclamation. The selection of such men is made proportionately from all parts of the division. Men so notified may report to any duly licensed medical practitioner, which means that any man may go to his family doctor if he so desires. The appointment of all qualified doctors as examining physicians under the regulations was decided upon after consulting with the Canadian Medical Association. May I say here that the medical profession of Canada has responded whole-heartedly to this call for national service and that the examining physicians have performed their duties conscientiously and efficiently.

In order to obtain the number of men required to attend the several military training centres of the Department of National Defence, it is necessary for the divisional registrars to notify a number substantially larger than the one called for, in order to take care of those who are categorized as temporarily and permanently unfit for military training, and also of those who, for reasons of seasonal occupations or essential employment in war industries, cannot be called out for a particular period of training. For the first three periods of military training, the number of men categorized lower than C.1 averaged 23·1 per cent of the total number of men called out for medical examination. This ratio is well within the percentage of medical rejections to be normally expected in such a large scale medical examination.

I recall that in the discussion which took place in the house a few days ago it was indicated that a considerable number of the men who did report to camp were afterwards found to be not physically fit, a larger number than probably would have been expected had we had some experience in matters of this kind.

The second step in bringing men to the training centres is to select from the thousands of medical reports received from the examining physicians in each administrative division the men who come within the medical categories accepted for training by the Department of National Defence. The men selected are then notified by the divisional registrar to report, on a stated date, to the officer commanding a stated training centre.

The divisional registrar encloses with the "notice—military training" warrants for transportation, meals, and/or lodging as may be required. Upon arriving at the training centre the men are again examined by the military doctors and, if found medically fit, are accepted for military training. From the moment they are accepted at the military training centre, the men cease to be under the jurisdiction of the Department of National War Services, because they are enrolled in the reserve of the Canadian army.

It is important that this should be understood, because continuously we have inquiries from hon. members and others with regard to matters which really come under the Department of National Defence. The men are more or less under the Department of National War Services from the time the call goes out to them to report to the physician, until such time as they have been accepted in a military training camp; from that time on, they are under the control of the Department of National Defence.

That, I think, is all that it is necessary for me to say with regard to the activities of the Department of National War Services in connection with the calling up of men. Any questions which hon. members may have with regard to costs and all matters of that kind can be dealt with when we are in committee on the amounts estimated as necessary during the coming year.

Mr. SENN: There recently appeared in the press a notice that farmers' sons of certain categories would have their training postponed until the fall months. Will it be necessary for these young men to be called up and then go before the board for exemption, or will they be called up at all until the end of that period?

Mr. GARDINER: I would prefer not to answer that question to-day. Probably I can answer it on Monday. The regulations have not been finally reviewed by the Minister of National Defence and myself as Minister of National War Services.

Mr. HANSON (York-Sunbury): In that same category is the question of students in universities. The minister may not be able to answer at the moment with respect to that, but I think it ought, if possible, to be answered at the same time.

Mr. GARDINER: Yes. They are in exactly the same category; and as soon as the regulations are passed by the Minister of National Defence and myself, they will be laid on the table so that everyone can see them.

Mr. DUPUIS: Another class consists of those who, being skilled workmen, are now employed in war industries. Would some delay or some kind of exemption be allowed to them?

Mr. GARDINER: My answer to the other two questions applies also to that of the hon. member. All these matters will be covered in the regulations, which, I expect, we shall be able to bring down early in the week.

One other matter to which I wish to refer, and which is under the Department of National War Services, has to do with voluntary services. It will be recalled that when the department was set up there were five organizations which were doing auxiliary work for the Department of National Defence, and it was stated at that time that instead of having five different appeals for funds made to the people of Canada, attempts should be made to have these appeals made all at one time and in one organized effort. At the time it was suggested this should be done, some of these organizations had already set out to make their appeal to the public, that was at the end of last year. One of them, the Red Cross, had gone so far with their preparations that it was not thought wise then to attempt, in the short time left, to get these organizations all working together in a common effort, and it was finally decided that the Red Cross should go ahead with their drive. Later on, it was thought wise that the other organizations should combine in one drive in the spring of this year, and that has been arranged for the 24th of March next.

I should like to give the committee an outline of the activities in that regard up to the moment.

Administration of the War Charities Act. The object of this act is to provide a measure of control and regulation of the voluntary efforts of organizations throughout Canada, in their desire to raise money for war and charitable purposes. Any organization which makes an appeal to the public for donations or subscriptions in money or in kind, or any war charity fund which attempts to do so by sponsoring a bazaar or any other entertainment for that purpose, must be registered

under the act. From the time the act was assented to on September 13, 1939, up to February 25, 1941, some 907 central funds have been so registered. In addition to these, 739 branch funds have been registered under the central fund. This means, for example, that the national Imperial Order Daughters of the Empire, is registered as a central fund, and many of its branches are also registered. The great majority of applications come from responsible groups or organizations. Upon investigation, certificates are issued to such organizations. Unfortunately some of the applications come from individuals or groups whose main object seems to be to gain some advantage—perhaps it is a financial one—by doing a certain job, possibly in a good way, but with the result that too great a part of the funds will go to an individual rather than to the charity. Such applications, after investigation, are refused. Every effort has been made to prevent the commercializing of war charity efforts. In a few instances it has been necessary to cancel the registration of organizations because their work was unsatisfactory in that regard.

We are trying to show organizations that in planning their work great care should be exercised so that the cost of raising funds may be kept to the minimum. The national war charities funds advisory board, under the chairmanship of Mr. C. L. Burton, was set up, and it is rendering a service to the country by checking up the budgets of the larger organizations that make application for the right to collect funds, and by passing on advice to myself as minister, and through the minister to the government, as to what is thought advisable in connection with funds of that kind.

Investigations of that sort have been carried on in relation to the drive which will start on March 24 next, and five of the larger organizations have united in order to make a combined appeal to the people of Canada for $5,500,000. They are going out to make that appeal with the endorsation of the government, and the government has, through them, made an appeal to the people to support these efforts in view of their relationship to the general war effort.

Mr. HOMUTH: That does not include, then, the Red Cross?

Mr. GARDINER: This particular drive does not include the Red Cross. But the matter of future drives is now being considered with a view of having all future collections made in one drive.

Mr. HOMUTH: I do not want to interrupt the minister, but in our district the larger towns have done that from the very inception of the war, and we found it to work out exceptionally well. Each organization got its quota. We included also the Red Cross; and I wondered whether the Red Cross would be included in this drive.

Mr. GARDINER: It was thought at one stage, I believe quite early in the war, that it might be best to allow the practice which is operating in the section of Ontario referred to and many other sections of Canada, to develop until such time as by voluntary action all these organizations would be making their collections in one. In view, however, of the greatly increased expenditures in connection with the war and the necessity for increased activities on the part of some of the auxiliary services, it was thought well about two months ago to speed them up by getting these organizations together and having them make one drive for funds rather than wait on the voluntary efforts growing out of these separate activities. In many of these cities the work was speeded by having the organizations agree to that effort. I may say in passing that I think the organizations were very fortunate—we did our part in arranging it—in securing the services of a man who, I know the committee will agree, has had wide experience in this kind of activity. I refer to Senator McRae, who has been placed at the head of the organization which is going to make this collection of funds. A board has been set up which will hold these funds in trust when they are collected and see that a proper division is made of them to the different organizations for the purposes intended.

Mr. STIRLING: Will this change have the effect of stopping one-collection efforts in certain districts such as have taken place in the past—one appeal to the public over a certain district?

Mr. GARDINER: No, it is intended to promote that. It is intended to make it nation-wide instead of having it apply to certain areas that have already been following that procedure.

Mr. HANSON (York-Sunbury): Has it been found that the Red Cross object to this collective drive? There was a good deal of discussion in the press about this at the time it was started. I understand that some officials of the Red Cross have taken the view that they cannot be bound within the limitations or circumscription of one drive because of the peculiar necessities that may arise in connection with their work. Are they

in agreement with the principle or are they standing out? I think in justice to them that ought to be made clear.

Mr. GARDINER: Three or four conferences were held and the discussions that took place were similar to those that take place at any conference of the kind. In the earlier stages you will find some persons putting forth certain arguments and taking a certain position very strongly, and you will find these same persons later on, in a subsequent conference, turning around and taking a position which perhaps those opposed to them at the earlier stage had adopted. It is true that certain arguments were advanced to the effect stated, but I may say that as a result of the conferences held all of the organizations that are going into the drive on March 24 are going in under an agreement finally reached among themselves, and in entering into that agreement they have one hundred per cent the support and cooperation of the Red Cross. As the house knows, the Red Cross is an organization that has been built up right across Canada, having a very good reputation and a long period of service, and it is thought wise to allow that organization at least to consider the matter in their own national meetings before making any announcement as to what they think, or anyone else thinks, with respect to what they ought to do. It is considered better to leave it that way. There has been the greatest degree of cooperation among these people in meeting from time to time and discussing one another's problems and trying to come to a common conclusion.

Mr. HANSON (York-Sunbury): Will this drive on March 24 cover a definite period of time?

Mr. GARDINER: It is the only drive to be made in 1941.

Mr. HANSON (York-Sunbury): That answers the question.

Mr. GARDINER: The Red Cross have agreed that they will not put on another drive in 1941, so that there will be no further drive by that society or any one of the other organizations during the year 1941. The question what is to happen in 1942 will be finally settled among them before the end of the year.

Mr. COLDWELL: I have been asked whether the funds raised by this central organization will be audited by public audit, and, secondly, whether any organization receiving funds from the central body will also be subject to audit. There is a belief in some quarters that some of the money raised in the past has not been spent economically, that the organizations have been paying high salaries, and so on. In a letter in my office at the present time there is a question along these lines.

Mr. GARDINER: I think there is even better than a mere audit. In the first place, these organizations now—they have already done so, so far as this year is concerned, and will be required to do it in the future—submit budgets to the committee that is headed by Mr. C. L. Burton, of which I spoke. These budgets are all gone over carefully by a group of men who are quite competent to examine them,—

Mr. HANSON (York-Sunbury): A very valuable committee.

Mr. GARDINER: —and they have eliminated many things which in their judgment were not required to be done for the time being at least, whatever may happen in the future. They have attempted to cut down organization expenses, more particularly when the five were coming together and it was not necessary to have the amount submitted in five organization expense accounts in order to carry on. All that kind of work is done in advance, the expense being cut down to the limit; and when they make appeals for those things about which there is some question in the minds of the committee, they have insisted on the amount of money set aside for that particular purpose—say, $100,000—being put into a reserve fund, and even after they have collected it that reserve has to be passed upon again by the committee before the organization can use it for the purpose for which it was intended at the time they submitted their budget. In addition there has been set up a board to whom these funds are turned over in trust after they are collected, and that board is not composed of members of the different organizations. I have not the names before me at the moment, but the board will be composed of prominent and well known business men across Canada. The money has to be turned over to them and then revoted, so to speak, by that trust board to the organizations that are to spend it.

I am not prepared to say definitely that it is provided for, but I should expect that these business men would require a careful audit of everything that has been done, and I am sure the department will require, when the organizations are submitting their budgets next year, a careful audit as to what was done with the money this year and what will be done with moneys next year.

Mr. SENN: Can any contributor allot the money to a particular organization, or will the distribution be made entirely by the committee in charge?

Mr. GARDINER: I understand that the cards used, and the different methods of subscription followed, permit a person to state to which organization he desires his money to go. If no stipulation is made, then it is divided among them.

There is one other matter which I mentioned last night to which I wish to return this afternoon. It has to do with what is known as the information bureau. Probably before dealing with one or two matters in particular I should give to the committee some idea of the organization of the information bureau. I believe it has already been indicated in answer to questions in the house that the organization was first set up by order in council P.C. 4073 on December 8, 1939. On January 3, 1940, Mr. Thompson, who was the first director of public information, was forced by ill health to resign. Mr. G. H. Lash, of Montreal, Mr. Thompson's assistant, was appointed acting director and since that time he has been made director. On February 23 there was appointed as a director Mr. Claude Melancon, previously joint press censor for Canada. On July 19 the office of the director of public information was transferred to the Department of National War Services and since then has been operated under this department. There has been some discussion in the house since the opening of the session, and in the press before the opening, as to the activities of this bureau in connection with press releases. I merely want to make the practice known so that hon. members will all be familiar with the facts in discussing matters having to do with it.

In the first place, after careful consideration of the whole matter with representatives of the press and with those who are prominent in the press association across Canada, and after consultation with many who had had previous experience in connection with the matter, it was decided not to attempt to appoint under this bureau a publicity agent who would gather together all the information obtainable from different departments of government and hand that out as one piece of information to the press of Canada. Certain reasons were put forward why that should not be done, one being that the representatives of the press could gain that information in Ottawa as readily as any individual could gather it for them; and with a score or more of representatives of the press gathering information around Ottawa and expressing their views through their own papers, the public were more likely to get the type of information which they ought to get while we are conducting a war, or under any other circumstances. Whether that is the correct procedure to follow or not, it is the procedure which has been followed up to the present time. The papers all have their representatives in Ottawa, as they have in the press gallery at this moment; they can get whatever information is available, and as a result of obtaining that information, I assume they write their articles.

It was arranged that in order to expedite their efforts to get information we should have as many ministerial press conferences as possible. When the press is anxious to have them we try to arrange them, and when ministers have something in particular to give out they arrange for a press conference. As a matter of fact, the ministries concerned with war effort decided upon certain days that they would be prepared to meet the press if the press desired to meet them and discuss with them matters having to do with war services.

That, generally speaking, is the method by which the information is given out to the press. In addition to that, there are in the different departments of government, more particularly in the war services department, information organizations or publicity organizations, which from time to time issue statements having to do with the affairs of their particular departments. Those statements do not always go directly to the press, although some may do so. The greater part of them go to the bureau of information. All the bureau of information does with press releases from the different departments is to mail them to wherever they are intended to go. That is, we do not edit them; we do not change anything that is in them; we simply take them as they come to us and send them out. In other words, the only responsibility in connection with the distribution of press releases of that kind, that can be charged up to the fund which we are now discussing in relation to the war services department, is the cost of distribution, and nothing more. The work of writing and compiling of them is all done in the other departments.

In addition to that, we may put out some press releases, but practically all of the press releases which are put out by the department itself simply give background; that is, they are not intended to go into to-morrow's daily paper as news, but are intended to give the editorial writer or anyone in the newspaper office information to which he can go at any time and obtain what were presumed to be the facts at the time when this particular information was sent out. Or it may be that it covers a period of time about which there has been some discussion over the country, and information is sent in order to indicate what may have been the facts in connection with it. It is not always used in the press, but, I assume, is put away on files to be referred to from time to time as needed.

That explains largely what is being done by the information bureau in relation to press releases.

In addition to that, we have illustrated material. I should like to read to the committee some particulars regarding the sending out of illustrated material.

The photographic branch of public information was not established until May 1, 1940, that is less than a year ago. From then until January 31, 1941, the branch has distributed 75,714 pieces of illustrated material, as follows:

30,739 Canadian photographs, of which 3,655 were supplied in finished form by the photograph section of the Royal Canadian Air Force.

23,478 mats, illustrating the Canadian war effort;

4,729 photographs supplied by the British Ministry of Information;

7,184 photographic broadsides from the same source;

9,584 ebonoid plates used by papers which cannot use mats, coming from the same source.

Travelling photograph displays are on exhibition at three points in Canada: one in the windows of the Hudson's Bay stores in western Canada; one in store windows of Tip Top Tailors and one in the National Museum at Ottawa. All these pictures, totalling about one hundred enlargements, reflect various phases of Canada's war activity.

Until the photographic branch of public information was organized, few Canadian war effort photographs were appearing in Canadian daily papers that did not have their own camera men, none in the Canadian weekly newspapers, and they appeared only rarely in publications outside Canada. That condition has been changed completely by this service, and the considerable number of photographs that are appearing in the press across Canada have been supplied by this information bureau.

With regard to printed material, posters and so on, until the autumn of 1940 public information did not undertake a poster campaign but, instead, arranged the distribution of some 50,000 posters provided by the British Ministry of Information. These were warnings, received in the English language only, against indiscreet talking. Some ten thousand plain printed posters in the French language were produced to complement those received from Great Britain. Since November, 1940, the office has produced and distributed the following quantities of posters:

	English	French
November, careless talking....	20,000	10,000
December, careless talking....	20,000	10,000
January, industrial poster....	5,000	....

[Mr. Gardiner.]

Other posters are now on the presses and will be put out from time to time.

The next activity has to do with booklets, pamphlets and leaflets. Under that I could give some figures, but I think I shall give only a few to indicate the scope:

	English	French
Canada Carries On.....	50,000	20,000
Let's Face the Facts, leaflet.	1,500,000	100,000
Let's Face the Facts, booklet	450,000	....
Two Ways of Life.....	1,250,000	....

I think I heard in the house since it opened a criticism of the last publication. I am told, however, that there has been a greater demand across Canada for that particular publication than for anything else that has been put out by the department. Probably wider use has been made of it in different parts of the country.

With regard to the radio, public information's first radio programme, "Carry on, Canada," will celebrate its first full year on the air on February 16. In that period it has achieved first-rank rating, and in the New York *Times* recently, Mr. Frederick Birchall, suggesting that the United States networks ask for it, described it as the best programme of its kind in radio.

On July 21 the office inaugurated a radio series called "Let's Face the Facts," which ran for twenty-four consecutive weeks and brought to the microphone the radio world première of the famous play "There Shall Be No Night," and the most distinguished procession of eminent men and women in the history of radio in Canada. The British publishing house of John Lane, the Bodley Head, is bringing out these speeches in book form. That programme was succeeded by another speaking programme called "We Are Not Alone," in the course of which representatvies of each of our allies told the story of their country's participation. Most of the speakers in that series were, I assume, heard by hon. members. A new programme, "Canadians All," which only opened last week and which, I believe, had a fine reception from one end of Canada to the other, will be on the air for thirteen consecutive weeks, during which period representatives of various nationalities settled in Canada will give of their folk music and also tell of the experiences of those of their number who have already joined the armed forces of Canada. There are several other programmes to which I need not refer, which are being put on from time to time. This will indicate some of the work that is being done in the radio section.

I come now to motion pictures. In March, 1940, public information, in cooperation with the national film board, planned a series of one and two-reel theatrical motion pictures. The series was given the general carrying title "Canada Carries On." I have already referred briefly to that series, so I need not say anything further with regard to it.

As another activity we are building up a reference library. In November, a newspaper reading branch and a reference library were established to meet a demand for general reference material relating to the war and Canada's participation in it. I am not going into particulars with regard to that activity, but the library is there and when we are discussing these matters in connection with expenditures I can give any information that may be desired.

There is also a public speaking programme which has been sponsored more or less in cooperation with the Canadian Clubs of Canada. In general, we are doing many other things that are of interest and at the same time, I believe, are promoting Canada's war effort.

I have reviewed these matters rather hurriedly in order to emphasize something I said last night with regard to information.

I have before me a copy of a question by the hon. member for Macleod (Mr. Hansell) which appeared on the order paper on December 6, 1940, and which has been answered since the opening of this part of the session. The hon. member asked:

1. When, how and by what authority was the bureau of public information established?

I have given much of that information already.

Mr. HANSON (York-Sunbury): Has the minister the reference in *Hansard*?

Mr. GARDINER: The question appeared on December 6. I have forgotten when it was answered, but it was not long ago. The question goes on:

2. Under what department of the government is this bureau, and to what minister is it responsible?

I have dealt with that already.

3. How many press releases were made by the bureau to the end of November, 1940, in what papers were they published and how many in each?

That is the part of the question to which I refer particularly. The answer was 772, with regard to the number of press releases, and as to the newspapers in which they appeared the answer was "No statistics available." Another part of the question was:

7. What has been the total cost of operating the bureau to the end of November, 1940, including news service, communication services, radio and moving picture services and printing?

The answer was, $202,672.42. That is definite information with regard to the bureau of information. I wish to call attention to the fact that editorials right across Canada have been written with regard to this matter; and I mention this in order to bear out what I stated last evening, namely, that when editorials are written about our war effort they should be based at least upon facts, more particularly when they already have been given in the house. I should like to read an editorial which appeared in the *Globe and Mail* under date of February 20:

Newspapermen, as a rule, are pretty hard-boiled, but we venture to say there is not an editor in Canada who was not shocked by the revelation that dominion government press agents cost the country $202,672 last year.

This frightful waste of the taxpayers' money might be defended if the government was getting any return for it, but the fact is that most of the propaganda prepared by these men goes straight into the wastepaper baskets of newspaper offices from coast to coast.

I will just ask hon. members to recall what I have already said was done for that $202,672.

According to Hon. J. G. Gardiner, Minister of National War Services, who tabled the return in parliament, no statistics are available to show in what papers the press releases issued by the government were published.

If hon. members will recall the figures I gave a few moments ago as to the number of releases that went out, they will realize that it would be difficult to follow through all the newspapers of Canada, even with the clipping bureau we have established, in order to see just how many of these releases appeared in the press across Canada, and how many might have been published even in newspapers outside Canada. But the criticism of one of these hard-boiled editors is that we should have known that most of these releases went into the wastepaper basket. As a matter of fact, we have records showing that a great many of these releases have appeared in the columns of the newspapers that know the facts and use the facts in writing editorials; and these releases have been printed right across Canada ever since this bureau was set up. But listen to this:

Yet these press releases cost an average of $262 each.

Do hon. members know how this editor arrived at the amount of $262? He took the 772 press releases and divided that number into $202,672, the amount spent for all the radio activity, all the motion picture work, all the posters to which I referred, all the pamphlets that were sent out and everything done by the information bureau; these were all made charges against the press releases, and it was stated that these cost $262 each. The editorial goes on:

> The $202,672 paid out of the national treasury for government propaganda is roughly twice the combined salaries of the forty correspondents who cover the proceedings of parliament for the press of Canada.

I would hope that was so, because all the activities associated with the bureau, including those I have outlined, are covered by that $202,000.

> But what is much worse from the taxpayers' point of view is that the shocking waste of public funds in government publicity is symptomatic of what is taking place in nearly every department of the public service.

This editor states what is obviously incorrect, if not untrue—and I distinguish between the two terms because I cannot understand any newspaper as prominent as the Toronto *Globe and Mail* having an editor who could not read that return and understand it. I suggest that it would appear to be an intentional misrepresentation. At a time when the Minister of Finance (Mr. Ilsley) was appealing to the people of Canada for subscriptions in connection with his drive for funds, this paper tells the people that one of the departments of government spent $202,000 on 772 press releases, or $262 per press release. It then goes on to say that other departments are being run in exactly the same way. I quote:

> If the taxpayers had the faintest conception of how their money is poured down a dozen different sewers on parliament hill there would be a rebellion.

I do not think that we have to take advice from the Toronto *Globe and Mail* about money being poured down sewers. The Toronto *Globe and Mail* used to be published in a building which suited its purposes very well, but one has only to go and look at the building in which it is published to-day to understand how they pour money down the sewer. For an organization of that kind to be criticizing, even though their criticism were right, is I think drawing the long bow in connection with matters of this kind.

[Mr. Gardiner.]

Mr. GLADSTONE: One of the great dailies published in Ontario carried a leading editorial in December stating that members of parliament were paid $66 a day. This amount was arrived at by taking the number of sitting days and dividing it into the indemnity of $4,000. The newspaper did not take into account the fact that most hon. members work almost 365 days in the year in the service of the government.

An hon. MEMBER: Of the country.

Mr. GLADSTONE: There is a continuous stream of people to the homes or offices of members, with legitimate requests of every description. Because of the demands made upon his time it is almost impossible for a member of parliament to look after his own business. As a result of that editorial a number of letters were written to the paper which published it, citing the editorial and repeating the statement that members of parliament are paid $66 a day. These writers simply took the editor's figures at their stated value, but it was unfair criticism of the work being done by members of parliament. Members look after the interests of their constituencies not only while they are attending sessions of parliament but practically every day in the year.

Mr. GARDINER: The next statement was to this effect:

> According to the return tabled by Mr. Gardiner, twelve departments of the dominion government have a total of 86 employees engaged in publicity work, who draw annually $164,460 in salaries. Included in these will be stenographers and office boys. But in addition to salaries there will be offices, furniture, filing cabinets, stationery and other material, and telephones, the cost of which is not taken into account in the return brought down in the house. On top of all this is the department of public information, which pays 43 publicity employees $61,279 a year. In fairness to the director of that branch we are bound to say that the "let's face the facts" series which he arranged for the radio was an excellent piece of work.

That statement emphasizes the fact that the editor of this paper knew something about what he was writing. He knew that many other costs were included in the $202,000; he knew that the costs of all the other activities of this organization were included in that figure. Yet he puts out to the people of this country the suggestion that that amount

covered only press releases. In so far as the activities of this and other departments are concerned, the press releases entailed only the postage and stationery costs in connection with them. As a matter of fact the total cost is not a considerable amount of money. In view of the editorial I think I should place the exact figures on *Hansard* showing expenditure and commitments from the time the department of public information was set up, to November, 30, 1940.

Mr. HANSON (York-Sunbury): That would be how long—three and a half months?

Mr. GARDINER: December 8, 1939 to November 30, 1940. The figures are as follows:

Details	Expenditure	Commitments	Total
Salaries and allowances	$45,202 27	.....	$ 45,202 27
Travelling expenses	4,439 01	.....	4,439 01
Motion pictures	1,990 71	$ 68,000 00	69,990 71
Photographs and mats	8,285 12	284 13	8,569 25
Pamphlets	4,557 80	33,841 57	38,399 37
Posters and art work	65 74	1,590 77	1,656 51
Radio	1,487 46	.....	1,487 46
Printing and stationery:			
Envelopes and letterheads	.....	9,242 61	.....
Equipment and supplies	.....	5,439 47	.....
Typewriters	.....	1,245 00	.....
Sundry	.....	596 28	.....
Total printing and stationery	$ 8,145 59	$ 16,523 36	$ 24,668 95
Miscellaneous:			
Telephone, telegraph, postage	$ 1,767 29	.....	.....
Sundry	6,491 60	.....	.....
Total miscellaneous	$ 8,258 89	.....	$ 8,258 89
Total	$82,432 59	$120,239 83	$202,672 42

Those are the details making up the total of $202,672.42. The three largest items in that total are—giving round figures—salaries, $45,000; motion pictures, $70,000, and pamphlets, $38,000. These three items, which make up the greater part of the $202,000, have no relation to press releases. If the house desires, I could place on *Hansard* a similar table bringing the expenditures up to date. The table is as follows:

Department of National War Services
Public Information

	Expenditure to Feb. 28, 1941	Commitments as at Feb. 28, 1941	Total to Feb. 28, 1941
Salaries	$ 62,922 83	.....	$ 62,922 83
Travelling expenses	4,915 01	.....	4,915 01
Motion pictures	1,887 50	$111,220 00	113,107 50
Overseas publicity	894 00	778 80	1,672 80
Radio	663 23	.....	663 23
Photographs and mats	6,364 72	1,413 18	7,777 90
Pamphlets	9,021 31	76,450 13	85,471 44
Posters and art work	1,235 40	8,635 77	9,871 17
Printing and stationery:			
Envelopes and letterhead	5,094 69	10,012 61	15,107 30
Equipment and supplies	1,424 81	6,873 16	8,297 97
Typewriters	1,140 24	1,495 00	2,635 24
Addressograph plates and frames	598 02	3,163 88	3,761 90
Sundry stationery and supplies	4,643 58	3,579 14	8,222 72
Total printing and stationery	$12,901 34	$ 25,123 79	$ 38,025 13
Public speaking	2,861 62	.....	2,861 62
Miscellaneous:			
Telephone	1,326 48	.....	1,326 48
Telegrams	1,430 60	.....	1,430 60
Postage	7,155 55	.....	7,155 55
Miscellaneous	6,835 13	.....	6,835 13
Total miscellaneous	$ 16,747 76	.....	$ 16,747 76
Total	$120,414 72	$223,621 67	$344,036 39

Mr. HANSON (York-Sunbury): Before the minister leaves that, would he tie in all the publicity costs of the other departments which have publicity agents or publicity bureaus for the same period, for those twelve or fourteen months?

Mr. GARDINER: I am afraid the leader of the opposition will have to get that information from the ministers of the different departments.

Mr. HANSON (York-Sunbury): The point is that this is only one feature of the publicity work.

Mr. GARDINER: It is one feature. It is the public information bureau to which is usually attributed the whole cost of activities in connection with publicity.

Mr. WARREN: What amount of money is paid to the newspapers of Canada for advertising across the country, and would the minister suggest that this portion of the taxpayers' money might be saved?

Mr. ILSLEY: The hon. gentleman has reference perhaps to finance advertising of which there has been a great deal lately. That advertising is well worth while. It would be impossible to carry on the great financial campaigns we are conducting without spending a good deal of money in advertising. I am very well satisfied not only with the advertising itself but with the results.

Mr. GARDINER: In conclusion, when this matter is before us again and the actual expenditures are being considered, I shall be pleased to give any additional information that is required.

Mr. HANSON (York-Sunbury): I should like to ask the minister a few questions at this time. What has the minister to say to the suggestion made by one of his own followers last night, a suggestion to which I myself gave expression when I spoke on this matter a few days ago, that this is not a ministry of information but a ministry of propaganda. I term the publication, for example, of the series of speeches by members of the cabinet, government propaganda at the expense of the people of this country.

Mr. POULIOT: What about the publication of the speech of the hon. leader of the opposition at the expense of the country?

Mr. HANSON (York-Sunbury): I did not ask for it.

Mr. POULIOT: It shows how broad-minded the government was. It was not afraid of propaganda even from the hon. gentleman.

Mr. GRAYDON: They know a good thing when they see it.

Mr. GARDINER: The word "propaganda" has been given different meanings. Used in the best sense of the term, propaganda is, as I think every hon. member will agree, worth while; that is, propaganda based upon facts. The efforts of the bureau in the matter of publications may properly be termed propaganda if the putting-out of a picture indicating, for example, exactly what is being done in some part of the empire or in Canada can be termed propaganda. Radio broadcasts—it may be fiction; nevertheless fiction that illustrates something that is actually going on—I would also consider legitimate propaganda, and something which is not only legitimate but really ought to be done.

I would not altogether agree with the hon. member who suggested last night—it may not be the same member as the one to whom the leader of the opposition just referred—that we needed a ministry of enlightenment. The conclusion I have arrived at after serving for twenty-seven years either in the legislature or in the House of Commons, is that if you want to be enlightened you must enlighten yourself. There are a great many sources from which you can get information, but I do not think any ministry of any kind could really enlighten the people in general because they must get the information and then study it and arrive at their own conclusions as a result of their studies.

Mr. HANSON (York-Sunbury): People like to have things done for them.

Mr. GARDINER: Yes, but sometimes that is impossible. I would suggest that a ministry of information is quite possible. A ministry of publicity is possible, and even a ministry of propaganda is possible. There may be some question as to the lines one should follow in trying to give information to the public in relation to our war effort. But so far as a ministry of enlightenment is concerned, I am afraid that we shall have to continue to put forth our own efforts if we want to be really enlightened.

Mr. STIRLING: Would the minister enlighten us with regard to certain phases of the results of the registration? Last evening he gave to the committee an interesting account of the actual work of registration. He has now described how the results of the registration are being worked over, and I think he said that within the next few days or a week or two the results would be complete. I should like to know to what extent the government has already made use of that information. I have in mind particularly the

work which has been started in British Columbia, and I want to know whether that is being done all across Canada, collecting youths and teaching them how to use tools, using the workshops of the technical schools for that purpose. I took a great interest in the work that I saw being done. I should like to know whether that is Canada-wide and how many people have come forward to do it. Particularly I should like to pass on to the minister a certain amount of anxiety which I have met with in these schools as to what the next step was going to be. Within a certain number of weeks these lads will be turned out of the schools with a really extraordinary amount of knowledge which they have picked up quickly in the use of tools to fit themselves for openings as mechanics in munitions plants. What is being done in that direction and in other directions in which the results of the registration are already being used?

Mr. GARDINER: I think the hon. member will recall that the Department of National War Services was set up to gather information and, so far as the registration is concerned, to make the information gathered available to any department of government and to any industry or individual in Canada who wished to make use of it.

The schools which are training young people in the different areas are being operated under the Department of Labour, and when the estimates of that department are before the house I am sure the minister will be able and willing to give all the information that is desired with regard to that activity.

I mentioned last night that the governments of certain of our allies have asked for lists of those who are still nationals of certain allied countries. Those lists have been supplied. Industries have also asked for and been supplied with lists of people skilled in various trades, such as electricians and so forth. Applications have even come from England for skilled workers of different types. In certain cities in Canada, lists were made available and persons were able to go round from door to door asking young men whose names were on the lists if they desired employment at certain kinds of work. In that way young men were employed by the thousand. Some of these activities I am not free to discuss in the house, either with regard to the number of men engaged, where they work, or what they are doing, but the information is there and it can be given out from time to time.

In addition, we have power under the act to go to other departments of government and gather information that may be required, to put along with the information we have received through the national registration, with a view perhaps to seeing if there is a possibility of an industrial development where there are unemployed people. Information of that kind is all available.

Mr. STIRLING: I understand that no training of young people is being done in any direction under the minister's department, but that the results of the registration are passed along to those who require it. Then I would ask the minister if he has informed himself as Minister of Agriculture upon certain shortages of labour on farms in various parts of Canada.

Mr. GARDINER: Yes, Mr. Chairman. Whether I have done so or not, I have been informed from all across the country, from the areas where there is a shortage of farm labour. I have no further comment to make upon it except to say that perhaps that is more or less natural at the present time, and there will have to be an effort made. Again, it is a labour matter which will be dealt with in cooperation with the labour department from time to time as it can be dealt with.

Mr. GRAYDON: May I draw to the attention of the committee a matter which has assumed considerable importance in our part of the dominion, particularly in Ontario? I raise this question at the moment because the Minister of National War Services has under his jurisdiction a division which has to do with material resources in connection with our war effort. My conception of the department over which he has control and jurisdiction is that, to some extent in any event, there shall be planning in a systematic way in respect of our war effort. I realize every difficulty with which he is confronted, and I am sympathetic with him in that regard. But so far as our material resources are concerned and the plans which are being effectuated for the national mobilization of industry as it fits into our war effort, I believe the matter about which I am going to speak deserves immediate and special consideration.

On the 1st of March, the farming population of Ontario received a considerable shock when they heard that the Ontario agricultural college, one of the centres of agricultural technical and practical training, was to be closed and that the premises would be occupied by No. 4 wireless school of the empire air training scheme. In justice to the agricultural population, many of whom I represent, I ought to make it clear that I have not heard one farmer suggest that anything he can give or any action whereby he can cooperate should not be freely given to the cause of Canada and the empire. When I raise my voice in

connection with this matter I want to make it abundantly clear that the attitude of the farmer in this matter is not based on any narrow ideas as to his own particular future.

May I, however, point out to the minister that we have now been at war for something like eighteen months, a time sufficient, surely, to give the government some opportunity to plan our effort on comprehensive lines. The government may fairly be forgiven for whatever mistakes were made when the war first broke out and during the cataclysm which followed shortly afterwards. After all, this government is as human, or perhaps almost as human as the rest of us; at any rate it should receive that degree of consideration. But when plans are being laid for the continued prosecution of our war effort, it seems important that, in taking over buildings for these purposes, care should be exercised that peace-time institutions are transformed to war-time uses, not that war-time institutions are changed to other types of war-time endeavour, because I believe I voice the opinion of many agriculturists and others when I say that part and parcel of Canada's war effort is the production of foodstuffs and the extension of educational and technical advantages in so far as that production is concerned. It is along that line that I wish to bring this matter to the attention of the government.

It has been suggested in some newspapers—although, as the Minister of National War Services has said, their information may be wrong—that it is doubtful whether the officers of the Department of National Defence were wholly in agreement with the taking over of Guelph agricultural college for No. 4 wireless training school. I am in no position to say whether that is so; but in any event it seems to me that, with 600 male students and 200 female students at the college, and a large staff, built up in a selective way, of some of the best agricultural experts in Canada to-day, the institution should not be suddenly disbanded in order that another type of war-time activity may take its place unless it is absolutely essential to our war effort.

If it is a fact that No. 4 wireless training school can find no more suitable place, or no place equally suitable, there will not be from me the slightest complaint about the taking over of the building. If, however, there be any possible substitute, it seems to me that the present choice shows a lamentable lack of planning. If we ever needed a plan so far as our general war-time activity is concerned, now is the time to start it if it has not been started before.

Further, it is my recollection—and I have been on that model farm many times—that the property includes nearly 800 acres devoted to experimental purposes. Those experiments have been carried on at great cost, and farmers all over Canada, particularly Ontario, are very much interested in the work going on.

Mr. GOLDING: It will still be carried on.

Mr. GRAYDON: I am glad to hear the acting minister of agriculture make that remark. I accept his statement, and I urge that the benefits of this experimentation be not lost to agriculture at this time. As a matter of fact, so far as I know, there has not been any definite official statement as to the carrying-on of these experiments. Whatever is done, whether or not any change is made in the plan for the use of the college, we must not deprive the farmers of Canada of the technical advantages which they are enjoying as a result of these experimental activities.

When this war is over and the period of rehabilitation begins, it will cost much money and take a great deal of time to put these technical experiments in agriculture back where they were before. I am trying to emphasize to the minister, in all fairness, that, if there be any other way of providing for the wireless training school, whereby the empire air training plan will not be hampered or hindered, I trust he will use his influence to leave in operation our agricultural college at Guelph.

We talk a good deal in this chamber about agriculture, but it must be realized that, in so far as the interests of the farmers are concerned, the county agricultural representatives who get much of their information and practically all of their early training from the agricultural college at Guelph are able to render a tremendous service to the people of the province. They have technical, theoretical and practical experience. I wish to say a word this afternoon on their behalf. If the proposed change is absolutely necessary for the prosecution of our war effort, I am all for it, regardless of the consequences. May I, however, ask the minister to see whether a plan cannot be adopted so that we shall be able, as far as possible, to avoid changing from one important war-time industry to another, but rather so that the peace-time industries of the country may first be converted into and form a part of our integrated war effort before those which are already in war work. I make this appeal to the minister on behalf of agriculture, not by way of carping criticism of the government, because I have every sympathy with them in their difficulties; but it would be regarded as a good move on behalf of the agricultural communities who are struggling to-day if their college facilities

could be restored without in any way injuring or hampering or interfering with the general war effort of the nation.

Mr. POULIOT: In answer to what has been said by the hon. member for Peel (Mr. Graydon), the premier of Ontario should be praised for having the Guelph agricultural college used as a school for training for war purposes, and since they are apparently so zealous in their war aims, I do not see why Conservative members are critical about the matter. I live in a district in which there are many farmers. Many of them have been attending agricultural schools and have been doing very well, but they understand that during the war it is right to make sacrifices in order to defend the country.

I must say that I do not feel very comfortable about what I said yesterday when the hon. member for Davenport (Mr. MacNicol) was speaking. I interjected some remarks in the middle of his speech and since then I have read his speech *in extenso* and found it a most interesting one. Turning to page 1141 of *Hansard* of Friday last, I note what was said by the hon. member for Lake Centre (Mr. Diefenbaker) about bringing back that great windbag the Right Hon. R. B. Bennett. There is probably no one in the house who was more intimate in using him as a punching bag when he was prime minister and also leader of the opposition. He was a complete failure from every point of view, so much so that the Conservative party vomited him, and I do not see why they want to have him back. I am sorry to say that, but I must give an exact description of what happened when the right hon. gentleman was leader of his party, when he was called humbug by Mr. Thomas in England, and so on. We had enough of him. Besides, he wanted to leave us, and he has gone. Let him be alone and happy. But he was a failure as head of his party and as head of his government, and I do not see what use he would be here during the war. The joke of it is here:

> I suggest that, with a view to preventing the possibility of failures such as have occurred in the last six months in the matter of aircraft production, we have set up at this time a committee composed of representatives of the aircraft industry in Canada, and that we get in touch with the Right Hon. R. B. Bennett, acquainted as he is with requirements in Great Britain, and experienced as he must be in consequence of the assistance he has given Lord Beaverbrook, and have him come to Canada and head a committee or, if you like, a commission, to investigate the whole situation with regard to the failure of our aircraft production, to the end that further failures will not have to be admitted in this chamber.

The word "failures" is repeated several times, probably in order to describe Mr. Bennett himself. But I do not see how failure can be prevented by bringing another failure to Canada. My hon. friend the member for Lake Centre is too bright a member to continue along such a line. He must change his mind, and he must remember also that not only did the Tory party reject Mr. Bennett but that when he left Ottawa there were only two or three members of the party, one of whom has died, to accompany him to the station. Mr. Bennett was so sorry about it that he shed tears on that occasion. We do not need him any more, and that is the opinion not only of the member for Temiscouata. It is the general opinion in Canada. The Canadian people do not want him. My hon. friends are most illogical. The people of Canada gave a large majority to the King government at the last election, and yet my hon. friends say that this government has no mandate from the people. What mandate has Mr. Bennett now since leaving?—and he left after he was defeated. He had only a handful of followers and they changed him for another leader and again changed that other leader, so that now they have a temporary leader. I do not know how long he will keep that seat.

But coming to that very gentleman, the present leader of the opposition (Mr. Hanson) I want to go back a little further to page 903 of *Hansard*, of February 21, when he tried to give me a lecture. I will stand for no lecture from the leader of the opposition. I will not refer to a dead speaker but to one of the previous speakers to witness the fact that I have no lesson in dignity to learn from the present leader of the opposition. The best way for him to preach dignity is by example. There is something else I find in *Hansard* at page 901, where the word "vicious" is added to the remarks of the Minister of National Defence (Mr. Ralston). When he spoke in answer to me he said that I had made an attack upon him. That was his view. Afterwards, when I read *Hansard*, I saw that the word "vicious" was added in pencil, and I do not know whether it was done by Major Leighton, who is now press liaison officer of his department, formerly managing editor of a Ku Klux paper and also former editor of the Bennett Regina *Star*, which is dead now. I find it unbelievable to discover unparliamentary words in *Hansard* when they have not been uttered in the house, and I would make a suggestion in virtue of which all members would be equal. It is that the corrections in *Hansard* be made in the house at the opening of the afternoon sitting, and then people would know what the report is

that we have before us, and there would be no possibility of change. I have seen one member redrafting whole pages in his own handwriting, like a boy's composition. It is absurd. What is said in the house is what people would know. They are not interested in academic write-ups but what is said in the house, and if a correction has to be made it is very easy for a member to bring it up at the beginning of the sitting. Then people would have a true picture of what had taken place, and if there were something wrong then members could do what I have done with regard to the hon. member for Davenport—express regret. But people would have the real picture, and *Hansard* would not be like the mirrors we see in fairs. If the mirror is on the side the man looks wide, if he looks on the other side he is just as high—he is a giant. It is a farce, and it seems to me that if we are to have *Hansard* it must be true and accurate. If people have the liberty to change anything they say in *Hansard* and put unparliamentary words in their speeches when they are afraid to use them in the house it is just as well to stop *Hansard*.

There was something else said, and on that I congratulate the Minister of Munitions and Supply. I complained about some foolish expenditure that was made at St. Paul l'Ermite. I have learned with satisfaction that after these remarks were made in the house about fifty men were suspended at that place. This is the way things should be done. That the matter was not brought up by the leader of the opposition is probably because they are milk brothers of R. B. Bennett who are heads of the concern operating at that point, and he wanted to protect the Tories there. He was afraid of them, and I know that the leader of the opposition will never bring up a thing like that because he would expose his own friends. The hon. member for Humboldt (Mr. Fleming) yesterday said something which was absolutely true; he said that by the appointment of Tories—not all of them, but some of them—in responsible and strategic positions the Liberal party is suffering from their extravagance and foolishness. If I denounced it at times it is not only to defend my party, it is to prevent foolish expenditure. We have every right to get all the information about it.

There is a difference between strategic information and information on expenditure. My contention is that we should have all information about expenditure; nothing should be secret. Of course if one looks at the estimates we find there the job and the salary, but without any name. If we look at another book, the report of the auditor general, there is the name of the civil servant and the salary, but no mention of the job, except in a very few cases. Then in the departmental report everything is anonymous except the deputy minister who submits the report to the minister; there is no name, no job and no salary mentioned. Of course the branches are mentioned, but I do not see them mentioned in the report of the auditor general except in a very few cases.

Now we have this war appropriation bill. It is not only during the war that we have the Department of National Defence; we have it also in times of peace. During that time the whole thing was in the main estimates; now we have nothing in the main estimates for the Department of National Defence, the Department of National Defence for Air and the Department of Munitions and Supply. All the names and jobs and salaries of everyone employed here in Ottawa in any department should be there; whether the functions of those departments are temporary or not does not matter. We have to render account of the moneys expended by the treasury and therefore must be in a position to give all information to our constituents when they ask for it. That seems only reasonable.

This year the report of the auditor general is entirely different in form from what it was in other years. There are important amounts of money that are not mentioned. I do not know where we should go to get information on them. Yet when any elector comes to see an hon. member and asks him about the expenditure for the salary of so and so, if we do not find it in the report of the auditor general where can we find it?

Besides that the government complain they have to answer too many questions about salaries. It is their own fault; we should have that information in the proper place. One may say it would mean a certain expenditure for printing. It is the old excuse given to me by Mr. Dunning when he refused to print the report of the civil service committee. I had to fight with him to get the report printed and afterwards there was no reprint.

Now I bring to the attention especially of the Prime Minister and his colleagues this report of the auditor general for the year ended March 31, 1940. It is most incomplete; it is worthless. Every cent of expenditure should be shown in it. They say a few dollars are saved by not printing all salaries in full. It is the first time in my long career as a parliamentarian that it has happened and I denounce it. The auditor general should be very careful. I had something to say about him some years ago and I was stopped. I

could tell the whole story—the trouble that was then made about a messenger who was employed here and who had been recommended by me. Someone tried to make him suffer because I complained about certain people. The auditor general should be censured by this house for not giving us full information about expenditures in all departments. The ministers have no reason to complain that there are questions about salaries and expenditures; we cannot get the information in the proper place. I am sure that by mentioning that I express the views of a large number of Liberal members and members belonging to other groups.

The appropriations or estimates for the headquarters of all war departments should be in the main estimates, including not only mention of the job and the salary but the name of the individual. It would not cost so much to do that. To try to find some information we have to look at the report of the auditor general, which does not contain complete information, and we have to look at the estimate. In the report of the department there is nothing about what is paid the various individuals. That report should mean something, but it is an example of the vague information that I complained of some time ago. We have a great deal of paper but we cannot find anything in it; everything is mixed up—it is like a waste-paper basket. It is not worthy of the House of Commons and the parliament of Canada.

The estimates should contain information about the headquarters staff for each war department and staff salaries. Speaking of staff, I mean everyone from the deputy minister to the last appointed stenographer, mentioning the name, position, salary and allowances paid to each. If that were done it would facilitate the work of the war expenditures committee.

But there is something else. It is the fact that here in Ottawa the staff is part civilian and part military. The men are military and the women civilian. It seems strange at times; I do not see why a clerk whose duty is to file papers, or a messenger whose duty is to carry letters from pillar to post should wear a uniform and be entitled to allowances besides his salary. Of course there is a certain snobbery in that. During the war it is a consideration to wear a uniform, even if one is not doing any military duty. Many men are wearing uniforms who are not fit for military duty. For instance, here I have a list of the ranks in the air department. It starts with pilot officer, then goes on to flying officer, flight lieutenant, squadron leader, wing commander, group captain, air commodore, air vice marshal, air marshal, air chief marshal and marshal of the Royal Air Force. There are some pilot officers who are only piloting files, some flying officers who only fly to the door to take the salute; and I could continue at great length. On the other hand we have a girl, a stenographer, who hears very confidential information but who is in civilian clothes, buying her dress at Murphy Gamble's or some other store. There is nothing military about her. The other man is in uniform, and in addition to his salary he is paid an allowance about which we do not know, although both do the very same work. These are foolish expenditures, and the ministers concerned should bring these fellows to their senses. I do not see why a man should wear a uniform when he is performing duties that were performed yesterday by a young girl in civilian clothes, duties which might be performed to-morrow by that same young girl. This is not the army at all; this is just a parade, which is absurd in times like these.

The other day I suggested that the government should look into the expenditures at St. Paul l'Ermite, and I also mention Valleyfield, where the expenditure, which was supposed to be $5,000, has gone to $16,000 or $25,000, or some very high figure. I hope the ministers concerned will get in touch with the proper authorities in order that some investigation may be made. Moreover, investigation should be made into the qualifications of the inspectors. I know of one leather inspector in the Department of National Defence who was formerly a truck driver, and in addition I believe he is an Italian, a spaghetti eater. Another inspector was in a hospital for a time performing the duties of a he-nurse; then he was a packer and now he is a leather inspector receiving a salary and a living allowance. I am told that very few of the leather inspectors were previously qualified as saddlers, harness makers or leather workers. If we want our money to be well spent we must have duly qualified inspectors rather than men appointed because of their friendship with a great man, though friendship with a great man is a godly thing.

As another suggestion, I want the government to be very careful about soldiers travelling on trains, to see that they are not given an opportunity to buy hard liquor when on ordinary passenger trains. I might mention some instances that were very bad. One night the maritime express arrived in Montreal with one car full of soldiers. All the windows of that car were broken. On another occasion the conductor complained of the way some soldiers had behaved. When he went into

the car the lights were all out. He turned the lights on again and told the soldiers to leave them on. When he returned later all the lights had been unscrewed and thrown away, and the car was as dark as a cave. These things have been passed over in silence for a long time, but a stop should be put to conduct of this kind. Of course some officers—I do not know of what branch—are supposed to be on the trains to police the cars, but what I have mentioned should be stopped in order that the Canadian people may retain their high regard for the army. There are times when soldiers can have a drink without causing any trouble. I do not wish to cast any slur on the army; when young men are left without control this sort of thing is bound to happen. I am all for order in the army; I am for the hierarchy, but we know very well that the hierarchy cannot work from side to side, that it works from top to bottom.

I could make reference to many other matters, but I shall conclude by mentioning only one. Each of us realizes that war is a most serious thing and that probably we will have to stand by our soldiers, our sailors and our airmen for more than a year or two before we reach the turning point and achieve victory. We are told that many sacrifices are ahead; but there is one class of preacher to which I object. I have before me a dispatch that appeared in the Ottawa *Journal* of December 12, 1940, as follows:

> Canada Urged to Reduce Home Consumption.
> Stoke-On-Trent, Staffordshire, England, December 11.—Canada and the other dominions are urged by Lord Stamp to join with the United Kingdom in tightening their belts and reducing home consumption so that the war effort may be increased to the utmost peak.

That was none of his business. He may speak to Englishmen, but we have no lesson to learn from Lord Stamp. Members of the government may speak to us, but it does not help our cause for a man in England to tell us to tighten our belts. That is our own business; it is none of his. These speeches are very dangerous; they may arouse the Canadian people.

There is one other matter, Mr. Speaker. Everyone in this country wants to know what protection we are getting as a result of the expenditures that are being made. We hear of billions of dollars being spent for Canada. We may see trains loaded with shells. We may see trainloads of soldiers. We are ready to vote all the money necessary to win the war. That is right; everyone is for that, but we want that money to give a certain definite amount of protection to the Canadian people. Of course there are two schools of thought on that point. There is the school that believes everything should be sent to Great Britain, overlooking the defence of Canada. There is the other school that does not want to do anything for Great Britain but wants all the war expenditures to be made for the benefit of Canada. I believe it is best to follow the middle course. We must help Great Britain as much as we can; but we must not overlook the defence of our own country. While the Prime Minister did not accept my suggestion, I suggested that every hon. member should go to his constituency and recruit a full battalion, a thousand or twelve hundred men, from the day labourers, the farm hands and the lumber jacks—the very best type of soldiers—who would enlist for the defence of Canada. At that time it was not accepted.

It seems that we should try to restore the confidence of the Canadian people in the ministry by seeing that the country is well defended. St. Martin was a very charitable man. When he was asked for some help by a poor man he cut his cloak in half, gave him one-half and kept the other half for himself. But he did not give his underwear. In these times there is no one who admires Churchill more than I do, but I do not place Lord Beaverbrook upon the same pedestal. That is my own point of view and it is just as reasonable as the views put out by those paid by him to say that he is a great man. And Lord Stamp comes to this country to give us a lesson, I have a perfect right to tell him my views.

If we are to help England, let us do so, but let us at the same time defend Canada. We should organize our defence in case of the sudden attack which may come at any time. We do not know what may happen in the future. We hope that the future will be bright; that is the hope of everyone, but we must protect ourselves. I hope that in the money included in this vote there will be a large amount provided to organize the defence of Canada. We need to be defended, because we are a large country with a small population. We are, as the Prime Minister has said repeatedly, envied by many countries in Europe. We must be ready to repulse any attack.

When the government takes that fact into consideration and acts accordingly it will find out that the Canadian people are satisfied and ready to do more than ever for England. But first let us organize the defence of Canada. The Minister of National Defence and the other war ministers will be surprised at the extent to which I am ready to help, provided that they take the members into their confidence and do not treat them as strangers. If they are occupying the treasury benches, it is not by

a mandate of God but by the will of each member who supports the government. That should not be forgotten; that is something that deserves consideration and I hope it will not be ignored.

The press which is paid by the profiteers who are the scum of the world can say anything. I do not care about that. The press has lost a lot of influence by using stupid language about some important matters. Very few people read the editorial pages of a paper. When they want to know the news they listen to the radio. They are not interested in the papers except to make parcels with them.

In conclusion I insist upon the defence of this country and I hope it will not be forgotten by those whom it may concern.

Mr. DOUGLAS (Weyburn): I should like to make a few remarks with reference to the statement made by the Minister of National War Services (Mr. Gardiner) and to ask him a question or two.

First, I think the minister should be commended for the work being done by the bureau of public information. I am not suggesting for a moment that that work cannot be improved, and I do not think the minister would suggest that. This is a new branch. To organize the propaganda—I use that word advisedly in its proper sense—of a nation in a few short months is a herculean task. Some of the work being done in this connection is extremely commendable. I think all hon. members who have listened to the series "Let's Face the Facts" will agree with me when I say that that was one of the finest series ever put on the air. I have heard many persons who are in a position to know say that the address by Hendrik Van Loon was a classic, probably one of the greatest things ever sent over the ether waves. The same is true of many other radio programmes. I think they have done most excellent work.

The posters and pictures put out have had a very telling effect right across Canada. I should like to pay a tribute to the work done by the national film board. I am sure that most hon. members saw the picture at the Capitol theatre a week ago yesterday. I went to another picture theatre a few nights later when the same picture was shown and I tried to get the public reaction from the audience. Everywhere this picture is being shown it receives the most satisfactory ovation. I doubt if the people who put out the March of Time and who received an award for it could have done a better job. I hope that whoever is responsible for this type of work in the department will be kept at it. By having pictures like this shown in the theatres across Canada we help to build up public morale. I doubt if public morale can be built up as adequately in any other way. The radio and the moving pictures are important media for this purpose, and I think the minister is making fairly good use of them.

As I say, I am not suggesting that this work cannot be improved. For instance, the minister has said that the material sent out by the director of public information is sent out just as it is received from the different departments. I think that is what is wrong with it. It would be much better if some newspaper man in the bureau wrote it over again in the style which newspaper men know the public considers readable. A lot of this information could be rehashed and condensed. There is such an avalanche of it that a lot of it does find its way into the waste-paper basket. It could be boiled down; many of the statistics could be eliminated and the interesting facts put into the leading paragraphs.

Hon. members appreciate the thanks expressed by the minister for the part they took in the national registration last year. I believe all hon. members cooperated to the best of their ability. But I should like to say this to the minister, and I say it in the best spirit: Last year the minister wanted a national registration and he wanted it quickly, so he called upon hon. members and asked them to give of their time and services. They did that gladly and willingly and the registration was a success; indeed it is a monument to the way in which public men can cooperate when they want to. In every constituency where I had the privilege of looking into the organization work I found people of all political faiths and religious beliefs cooperating; they were freely giving their services and giving them gladly. The result is that that registration cost less than a million dollars.

Now the minister has started a salvage campaign and the members are again being asked to give of their time and services. They are doing it gladly. They are endeavouring to show how they can be of service to the country and to the minister who is responsible for this work. The Minister of Finance (Mr. Ilsley) wanted cooperation in connection with the war savings certificate drive, and I think he got it from all hon. members. But this is how the picture looks to some people in the country. They say: When you wanted a national registration, you came and asked for a voluntary effort; when you wanted to conduct a salvage campaign, you asked for a voluntary effort; when you wanted assistance in the war service certificate campaign you asked for a voluntary effort, but now when you are going to take the census, which will cost in the neighbourhood of $2,500,000—the Minister of Trade and Commerce (Mr.

MacKinnon) will know—when there is some money to be expended, the work is being done on a partisan basis. The Minister of Trade and Commerce shakes his head, but I am not going to get into an argument with him about it. Every question which has appeared on the order paper in connection with the census commissioners who have been appointed shows clearly that this is being done on a partisan basis.

I know that no hon. members on this side of the house have been consulted with reference to the carrying on of the census. Since we have been doing these other things so successfully on a voluntary basis, I think the minister might well consider the advisability of taking the census, if it is to be proceeded with at all—and that is debatable—on the same basis as the national registration was taken. It could be done that way for very much less money. The minister would have the cooperation of members in all parts of the house, and it would help the people throughout the country who gave their voluntary services last year to feel that they were not merely being used in a pinch and then cast aside when they might have an opportunity to receive something for their services. I throw that out as a suggestion for the minister because I am sure that it will not be as easy to get the voluntary cooperation of these people again if we drop this precedent we established in connection with national registration and have the census taken purely on a partisan basis, as it would appear it is going to be taken.

I have a question to ask of the Minister of National War Services (Mr. Gardiner). I understand that there are no estimates for his department unless they are brought down in the supplementaries, and that consequently this is the only opportunity we shall have to get a picture of the expenditures of the department for the past year and an outline of the budget for the coming year. I would therefore ask the minister if he will be kind enough to break down the expenditures of his department for the past year up to the most recent date available. I should like to know the total amount spent by his department during the past year and what will be spent this year.

We have the item of $918,000 for the registration. I should also like to know the total amount that was spent in calling up the trainees for training and the total amount that was spent in organizing the voluntary services. The minister has already given us the amount spent by the information bureau up to the end of November. Could we have the expenditure brought up to the latest date available? I would also ask the minister to break down these expenditures into their component parts and to give us the corresponding amounts that will be spent for the same purposes in the coming year. If the minister would give us these items now, it would be helpful.

With reference to the trainees, when the Minister of National War Services has finished would the Minister of National Defence (Mr. Ralston) give us, if not now, at all events later, what it costs the country for the pay of the trainees, their equipment, the training facilities required in their thirty days' training, the cost of the medical examinations, et cetera.

Mr. RALSTON: A return that was brought down gave the amount in toto, but I do not think the expenditure was broken down. There is, however, on the order paper a resolution which I am looking into, with respect to the training camps.

Mr. DOUGLAS (Weyburn): Does the return show the break-down for equipment?

Mr. RALSTON: I do not think it does, but I shall endeavour to see if that cannot be done.

Mr. GARDINER: I have the total of the estimated expenditures, the amount set up for last year and the succeeding year, but it comprises quite a volume and it would take a considerable time for me to go through it and give it all. But if there is any particular item on which any hon. member wishes details, I shall be glad to answer any questions.

Mr. HANSON (York-Sunbury): On that point, for peace-time expenditures we are provided with a printed book; the estimates are laid on the table with a message from his excellency. But for war-time expenditures, which are several times larger and much more important, and which call for much greater sacrifices on the part of the Canadian people, we are given only driblets of information from time to time. I am not complaining of that so much as I am complaining of the system. Here is $1,300,000,000 to be spent. The government must have the break-down of that. Then why not put it in the form of estimates and lay them on the table of the house so that we can study them. That is the only intelligent way in which we can proceed. The minister may say that there is nothing definite about these expenditures. I think I anticipate what the Minister of Finance is going to say.

Mr. ILSLEY: Also some of them are secret.

Mr. HANSON (York-Sunbury): All right. Those that are secret, if the minister gives us his word that they are secret, I am not

going to ask to have divulged. But the cost of military training, emphatically that is not secret.

Mr. ILSLEY: That is quite right.

Mr. HANSON (York-Sunbury): Those expenditures and estimates should be laid on the table in printed form so that we can have an opportunity to study them.

While I am on my feet I should like to say this. At the last session of parliament we were asked to vote a war appropriation of $700,000,000, the details of which expenditure are presently under review. We facilitated the passage of that resolution as no other resolution was ever facilitated in the whole history of the House of Commons, and when I hear hon. gentlemen on the treasury benches criticize us for what they consider to be destructive criticism under this measure they are entirely oblivious of the fact that we facilitated the passage of that other resolution to help the war effort and with hardly a word of information about it. That is just in passing.

In that same session of parliament, because of the tragedy of the events then occurring and because of the nature of the times, we did not ask, except in a brief and very general way, as to the war credit that had been voted at the preceding session of parliament. Was that not cooperation? It was cooperation of a kind that I do not think ought ever to occur in parliament again, and I promise the ministry that as long as I am at this desk that sort of thing will not occur again. The people of Canada want to know, and they never can know unless the government give us some detailed information in advance for study. The ministry must have anticipated, when this $1,300,000,000 appropriation measure was brought down, that there would be discussion and that naturally we would want information. The Minister of National War Services himself, in the course of his statement, made it clear that he anticipated that we would ask and would receive the break-down of all the expenditures in his department. How can any opposition, no matter what its desire may be, ask intelligent questions about any department of war expenditures unless we have placed in front of us some picture that we can study?

With respect to the question of the thirty-day training I got a certain number of figures from the Minister of National Defence and a number of figures from the Minister of National War Services, but they are by no means complete. As the opportunity arises, I propose to ask to have them broken down, but I did not want to bring that up this afternoon because my colleague wants to ask the Minister of Munitions and Supply about another matter, and I do not wish to occupy his place too long because his question is important.

I am making a plea now for the ministry to take into consideration over the week-end breaking down by departments, and under suitable and proper headings, every dollar of the $1,300,000,000 that they are asking for now, save and except such as they say are secret, and I certainly shall never ask for that. I am prepared to take the word of the minister that they are secret and that details cannot be published. But with respect to those that are not secret with respect to those on which it is our duty to the country to get information, I do ask the ministry, and it ought to have been done by the Minister of Finance quite a while ago as soon as he brought down his appropriation, that we be given the information for which I have asked. I know that we have been given general figures which are on *Hansard*, but we have not been supplied with a printed statement showing the expenditures by the various departments and under proper headings. I should like to have that information, broken down as far as would be reasonably necessary for intelligent examination and discussion. I do plead with the Minister of Finance, the Minister of National Defence, the Minister of National War Services and all the other ministers who are spending this huge sum of money to give this information to the house and the country. I do not think it is very difficult. If the Minister of National War Services were to allow me to see that portfolio in front of him, I venture to say it contains a break-down of every dollar of proposed expenditure.

Mr. GARDINER: I will give it if the hon. member will let me.

Mr. HANSON (York-Sunbury): Why cannot we get it in the form of a pamphlet? It would involve only the cost of the printing. I asked the other day, in addition to the figures that were given, for the cost of transportation of the trainees to the camp. That is an important item. It goes into the cost of training these young men. It is part and parcel of the equity we have in these young men for future war services in Canada. That has not been given to us yet, and it is over a week since we asked for those figures. I communicated with the deputy minister; he told me they were not available. I cannot quite understand that. These men were called up first in October. The transportation cost must have been heavy. All the bills for the October camp, for taking the men home, and for bringing up the next group must have been submitted and paid before the end of

the year. I should like to get that information. I should like to get the cost for the January camp and, as far as possible, down to date. I want the total cost of the thirty-day training plan. I believe that when the house and the country get the figures on this plan they will be astonished at the cost.

Mr. GARDINER: How much does the hon. member think it will be?

Mr. HANSON (York-Sunbury): I have an idea, but I want definite data. I do not want any guesswork about it.

Mr. GARDINER: It is right here.

Mr. HANSON (York-Sunbury): The government has it, and they have never given it to us. I ask that it be given, as a matter of right, to the membership of this house.

Mr. ILSLEY: If the hon. gentleman will permit me, I will tell him just what we expected would happen when we brought this in. We supposed that the opposition would ask me, as Minister of Finance, how the sum of approximately $1,450,000,000 was made up, and that I would tell him. I would give that in lump sums; such sums, for example, as six hundred and sixty-six millions, some hundreds of thousands, some odd dollars for the army; whereupon, I expected, in all probability some member of the opposition, probably the leader of the opposition, would say, "How is that made up?", and the Minister of National Defence would tell him in so far as he could, without divulging military secrets or giving information to the enemy. I thought that possibly the opposition would go through the whole sum in that way.

Mr. HANSON (York-Sunbury): Well, we are going to do so.

Mr. ILSLEY: We were prepared to give that information. I made it very clear at the outset that these were not ordinary estimates and that there would not be anything definite about them—as there is in ordinary estimates—nor were we bound to spend not more than the sums which we would mention. There is a certain amount of vagueness and looseness about the amounts which enter into a war appropriation bill. But we have not been withholding a single thing. We just wanted to know what the opposition required, and we would give it in so far as it was possible.

Mr. HANSON (York-Sunbury): Our minds are coming together very rapidly. In other words, the minister was saying that it was not the duty of the government to give these figures at all; it was our duty to pry them out of the government.

Mr. ILSLEY: Oh, no.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): I do suggest that, as trustees of the people of this country, as guardians of the public treasury, as tax-collectors of the people of this country, it is their duty to give an accounting without being asked to do it. Any trustee is bound to give an accounting to his *cestui que* trust.

Mr. ILSLEY: An accounting!

Mr. HANSON (York-Sunbury): I understand the implications of the minister's statement. I understand his implication is that the opposition has been derelict in its duty. I deny that absolutely.

Mr. ILSLEY: I believe they have been.

Mr. HANSON (York-Sunbury): All right. I thought that was exactly the position the minister was taking. Well, better late than never.

Mr. ILSLEY: Well, go ahead.

Mr. HANSON (York-Sunbury): We want the detail of this, and we will ask to have it given to us.

Mr. ILSLEY: How much?

Mr. HANSON (York-Sunbury): The whole thing.

Mr. ILSLEY: No, sir.

Mr. HANSON (York-Sunbury): Except those with respect to which I have already suggested that I would be quite agreeable to the reservation the minister made. If it is a secret fund—and yet I can scarcely imagine such a situation—how far is this matter of secrecy to go? I should like to think over the implications of that. What is the necessity for secrecy? In what respect? I assume it applies to $655,000,000. I deduce that from the statement of the Minister of Finance, and I do not know enough about it to know what would be secret and what would not. But we will find out before we are through.

How can we know if the thing is not given to us? I resent the suggestion that, in order that these details may be given, we must ask for them. That is not a principle of responsible government. That is a denial, a negation of the principle of responsible government. It is fascism in an incipient form.

Mr. GRAYDON: It is a waste of time, too.

Mr. HANSON (York-Sunbury): Certainly it is a waste of time. I would not wish to hold up this resolution if I thought that to do so would delay the government's war effort. If delay would bring any aid or comfort to the enemy, if it would help Hitler to lick England or to invade Canada, I would say "Pass the resolution this minute." But nothing like that is going to happen, and no

argument can be based upon that supposition. I see now that it is based on the theory that there is to be non-disclosure of fact unless it is pried out of the government. That is the theory of the government's war appropriation resolution. Mr. Chairman, that is not good enough for the Canadian people. It is not only not good enough for the people's representatives who sit on this side; it is not good enough for hon. gentlemen who sit opposite or who sit in the corners of this chamber to my right and left. Let us have an end of this attempted suppression of the facts.

Mr. ILSLEY: Mr. Chairman, all this language is quite unwarranted and quite unjustified.

Mr. HANSON (York-Sunbury): I do not think so.

Mr. ILSLEY: It is a histrionic display which surprises me very much.

Mr. HANSON (York-Sunbury): I hope the minister liked it.

Mr. ILSLEY: I certainly did not experience any feeling of uneasiness or discomfort as it proceeded.

Mr. HANSON (York-Sunbury): As long as the minister has a crowd behind him, he is as brave as a lion.

Mr. ILSLEY: I was not thinking about that aspect at all. The leader of the opposition said, why does the government not come forward and account? In the speech with which I opened this debate I stated exactly how much money had been spent to the end of January and how much money we anticipated would be spent by the end of the fiscal year; and, with regard to the coming year, I gave a total. It is only the total which we are asking the committee to vote; we are not asking the committee to vote any particular items.

Mr. HANSON (York-Sunbury): All the more reason why we should have the items.

Mr. ILSLEY: Perhaps it was no more the opposition's duty than it was that of any other hon. members—although that is what they are there for. But if the opposition, instead of launching this curious campaign of editorial writing and attacks on my colleague the Minister of Munitions and Supply, had exercised a little bit of judgment and applied a few business principles to the examination of these amounts, they would have had this information long, long ago. When was there the time to give this information before this loud onslaught was delivered? When have we been asked for the information? We have been giving the information in large sums, totals, and we have not been asked for anything else. When the hon. gentleman speaks about suppression of facts and the government waiting till the facts are pried out of them, he is dealing in old-line stuff which does not fool a single member of this committee a single minute.

Mr. HANSON (York-Sunbury): You ought to know. Between 1930 and 1935 that is the sort of thing you fellows put over every day.

Mr. ILSLEY: There wasn't a war.

Mr. HANSON (York-Sunbury): Yes, there was an economic war just as serious as this.

Mr. ILSLEY: The conditions were not like the conditions now.

Mr. HANSON (York-Sunbury): Pretty bad.

Mr. ILSLEY: If the opposition had told us a week or ten days ago what detail they wanted I would have tried to supply it, and if I could not I would have got my colleagues, the service ministers, to do it. But instead of that we have been listening to speeches. We have not been asked questions until this afternoon, and now we are not being asked questions but are being treated to a display of attempted parliamentary eloquence by the leader of the opposition, in which he says he is going to ask questions. What is the information the hon. gentleman wants?

Mr. ROSS (Souris): Far from the facts bearing out the minister's suggestion as to what we should be doing, I would point out that I have had on the order paper since February 24 a question which his colleague the Minister of National Defence could answer:

1. How many regiments are now included in the reserve army of Canada?
2. What is the annual cost to Canada of pay and allowances of reserve army who are on full-time pay?

That had a distinct bearing on the matters under discussion now, and I have been keen to get an answer. In view of the fact that this question has been on the order paper since February 24, I cannot see how the Minister of Finance can say that we have not asked for information.

Mr. ILSLEY: I meant in the debate.

Mr. GARDINER: I should like to answer the question asked by the hon. member for Weyburn (Mr. Douglas), which started all the discussion. I believe I stated as I sat down that I was prepared to answer questions now or later, and the first question with reference to the matter came from the member for Weyburn. It was a proper one. He asked whether I had information and whether I could give it now or would prefer to give it at some other time. I have consulted with

the Minister of Finance and he states that this is the proper time to deal with it. It could be dealt with again on the bill but now is the proper time to take it up.

So far as general information is concerned, I think it would be well to put the figures on *Hansard* this evening so that hon. members might have it before them between now and Monday.

The amount expended in my department is very small as compared with the total amount, but it will give some idea of the information in a part of the service in which I do not think there are any items that are secret. I believe that all the items in my department can be given to the members and to the public. I will read the general figures which will give an outline of the expenditures.

Taking departmental administration, the expenditures to January 31, 1941, amounted to $24,083.35.

Mr. HANSON (York-Sunbury): The minister is giving the figures since the department was set up?

Mr. GARDINER: Yes. The amount expended was the sum I have just mentioned and the estimated expenditure to the end of the financial year, March 31, 1941, is $16,245.94. The total expenditure for 1940-41 is $40,329.29 and the estimated expenditure for the next year is $65,290.

For human resources, the first item is national registration, the amount expended to January 31, 1941, being $792,480.41. The estimated expenditure to the end of the year is $128,007.41. The total is $920,487.82. The estimated expenditure for the next year is $1,000. It is just a matter of keeping the records up to date.

Next is the bureau of statistics. As hon. members know, the bureau is in the Department of Trade and Commerce but it is doing work for us. It is not the intention of this department to set up any new branches where there is a branch already in existence which can do the particular work, and we use the bureau of statistics for all statistical work. This year the expenditure up to January 31, 1941, was $193,069.94 while the estimated expenditure to the end of the year is $153,454.49. The total is $346,524.43. For the next year the estimate is $129,360, which will again be only a matter of keeping up to date those records which I produced last evening.

The next item is recruiting. The expenditure to January 31, is $217,770.57. The estimated expenditure to the end of March 1941, is $498,472.90.

Mr. HANSON (York-Sunbury): Does that include transportation?

Mr. GARDINER: Yes.

[Mr. Gardiner.]

Mr. GRAYDON: Does it include transportation both ways, to and from the camp?

Mr. GARDINER: No. After they go to the camps the national defence takes care of it. The total for recruiting for 1940-41 is $716,243.47, and the estimated expenditure for 1941-42 is $547,040.

With all due respect, I would venture to say that these figures are smaller than my hon. friend thought they would be, so far as our department is concerned. The next item is human and material resources. The expenditure to January 31, 1941, is $3,809.88. The estimated expenditure to March 31, 1941, is $34,445.82. The total is $38,255.70, and the estimated expenditure for 1941-42 is $63,210.

Next we come to voluntary services. The expenditure to January 31, 1941 is $8,434.99. The expenditure to the end of the year is $12,343.17. The total for 1940-41 is $20,778.16, and the estimated expenditure for 1941-42 is $27,080.

The last item is publicity. The expenditure to January 31—that is to say, the actual moneys paid out—amounted to $105,173.30. The estimated expenditure to the end of the year is $334,000.33. The total for 1940-41 is $439,173.63, and we estimate for next year a little more than double that amount, $956,420.

The total expenditure, 1940-41, is $2,521,792.50, and the estimated expenditure for 1941-42 is $1,789,400.

Mr. DOUGLAS (Weyburn): I wish to thank the minister for the break-down. I must say, however, that he is hardly fair in the statement he made. As I remember this procedure last year, when a similar resolution was brought down providing for $700,000,000, he first of all presented a general break-down of that figure and then each minister whose department was involved gave a statement of general policy and a break-down of the figure as it related to his department. If I remember correctly that was the policy followed last year.

Mr. ILSLEY: I was not the minister then.

Mr. DOUGLAS (Weyburn): By the present Minister of National Defence.

Mr. RALSTON: Let me answer my hon. friend. This year I expected to have made a statement somewhat similar to those made in July and November. I discussed the matter, and I remembered particularly a remark made by my hon. friend the leader of the opposition with regard to statements of that kind being eyewash. Therefore I decided I would not make a statement but would rather leave it to the committee to ask any questions they saw fit. At the same time I have some notes here, so that when my turn comes—my hon.

friend the Minister of Munitions and Supply has rather had the spotlight the last week and my hon. friend the Minister of National War Services got into it a little last night—I might be allowed to make a statement but in such form that hon. members can quickly ask questions if they so desire and I shall give the best answer I can. That is the reason why there has not been a long statement made as on the other occasions.

This method will not give as connected a picture of the war programme, particularly the army programme, but it may be more informative and more convenient for members of the committee; it certainly is a good deal more trouble for the minister because it means he has to be on the qui vive all the time. Day after day I have a folder full of details of various subjects on which someone might ask questions. We are not in the same position in this committee as generally in committee of supply, when one has an estimate book in front of him and a particular item in his department in respect of which he can bring an officer of the department who knows of that particular item and can sit here for two hours and assist him in answering questions. Here we have no detailed estimates at all; we have to deal with the sum as a whole. One minute an hon. member may be asking about military training centres; the next, another hon. member about some equipment for overseas, and the next something about the Royal Military College. Therefore it is impossible for the minister to have it all in the customary order. Perhaps it is as convenient for the committee; but at any rate they have an opportunity for a much more roving commission. That is the situation, and I am here endeavouring to do my best to give such information as may be possible in connection with the administration of the department.

Let me say further that my hon. friend has never, and this committee has never, had before it any memorandum of any kind or description that I know of as to past expenditure. Past expenditures have had to be elicited from the minister when the item has been up for discussion. For example, if there is an item for the Royal Military College and someone wants to know how much was spent last year on a particular service at that institution, he has to ask for it; there is no pamphlet, never has been. When my hon. friend talks about putting this in pamphlet form he is asking for something that has never been done before in peace time, let alone war time. There has been in connection with the item a certain breaking down in general headings under each department, but even those are pretty large and general and would not, I think, give a great deal of information. They are useful to the minister because they enable him to prepare to give information more quickly on that particular subject. As the Minister of Finance has said, we cannot put a book of estimates before the committee; that is impossible because they are not estimates, they are, as he intimated, the best approximation which can be made and are subject at all times to variation by reason of the course of the war.

In England, what does my hon. friend get? Do they get any break-down of the services? All they get is £10 or £100, a token vote in connection with each item.

My hon. friend talks about suppressing figures—

Mr. MacNICOL: He certainly got under the skin of the government.

Mr. RALSTON: All right, I am glad. I am supposed to be one of those meek people who take it lying down. I say that there is no suggestion of suppression. It is not a fair statement to make such a suggestion. I understood my hon. friends wanted to get on with this resolution. They are entitled to all information possible as to past expenditure; as to the future we can tell them as best we can what the programme is, what we are trying to work out, but I think that is all. When you come to hang up the dollar sign in front of it, it is much more difficult than they think. Therefore I am here ready to give all the information I can in connection with any particular function, unless it is something secret, and there is not much that is, but it is subject to so many factors and events that it is not much use. There are so many unknown factors which one cannot take into account beforehand, and which must be considered as constituting conditions and reservations that it is difficult to give accurate information.

The hon. member for Souris said he had not received any answer to his question. I say to my hon. friend that I personally called him no less than three times on the telephone at his room with reference to that very question. I should have written him a letter or rose in my place in the house; I am sorry. But the form of my hon. friend's question makes it difficult to know just what information he wants.

Mr. ROSS (Souris): I am sorry. But I was in the house each time the minister asked that the question stand.

Mr. RALSTON: He asks:

What is the annual cost to Canada of pay and allowances of reserve army who are on full-time pay?

I think my hon. friend is asking for the pay and allowances of those of the reserve army who are working in connection with the reserve units. The question of pay and allowances of those in the reserve army involves much more than that, because many are on a camp staff somewhere else altogether. They may be in England. I wanted to ask my hon. friend just what he wanted, and that is why he has not been given the information before.

Mr. ROSS (Souris): I wanted the estimated cost of the reserve army in Canada.

Mr. RALSTON: That is not what the question says at all. The only people who are on full-time pay are the officers who are working with the units, it might be a quartermaster sergeant or some sergeant at headquarters. There are those of the reserve office who are on full-time pay and allowances who are not working with and whose duties do not concern the reserve army at all; they are working in connection with some staff duties. I have the information in two ways; I thought my hon. friend was really concerned with the reserve units, but I did not want to give an answer and have him say I gave the wrong information.

Mr. ROSS (Souris): With regard to what the minister has just said, is it necessary that those officers or non-commissioned officers so employed be of a category which would take them into the active service army?

Mr. RALSTON: It depends upon what the job is.

Mr. HANSON (York-Sunbury): Will the Minister of Finance give us for the other war departments a statement and break-down similar to the one that has been placed on the record by the Minister of National War Services? These figures are large; they are numerous; I have a pretty good head for figures, but I cannot remember them; I certainly would like to investigate and examine them. I think that by consent we could eliminate discussion about a good many of these items, if this were done. Certainly I do not want to go through the whole array.

Mr. ILSLEY: I will give, and put it on *Hansard* so that hon. gentlemen can have it for Monday, a list of the amounts which make up the total—I said approximately $1,450,000,000; it is almost exactly $1,460,000,000. I will put them on *Hansard* now.

Mr. HANSON (York-Sunbury): Or we could take it as read, and save time. If the minister has a spare copy and could send it to my office, I should be greatly obliged.

Mr. ILSLEY: I can get a copy for my hon. friend but I do not have it here. This will not give the kind of break-down that the Minister of National War Services just gave the committee; this will give much larger items.

Mr. HANSON (York-Sunbury): We can get the break-down afterwards.

Mr. ILSLEY: My hon. friend can get that from the respective ministers. Here are the figures:

Amounts Submitted by Departments to January 31, 1941

National Defence—		
Departmental administration	$ 746,660	
Army services	666,574,659	
Naval services	181,000,000	
Air services	386,000,000	
Internment operations	8,232,697	
Censorship	207,636	
Dependents' allowance board	342,240	
Royal Military College	434,492	
Northwest territories and Yukon radio	177,500	
Inspection board—United Kingdom and Canada	3,510,640	
		$1,247,226,524
Munitions and Supply—		
Administration	$ 2,750,000	
Expansion of industry	177,928,100	
		180,678,100
		$1,327,904,624

Amounts Submitted by Departments to January 31, 1941—*Concluded*

Other departments—		*$1,327,904,624*
Agriculture	$ 7,877,550	
Auditor General	72,000	
Civil service commission	126,822	
External Affairs	288,500	
Finance	2,108,893	
Fisheries	603,000	
Justice	79,260	
Labour	4,878,404	
Mines and Resources	657,245	
National Revenue	5,600	
National War Services	1,948,252	
Pensions and National Health	3,664,400	
Post Office	413,500	
Prime Minister's office	11,500	
Privy Council office	6,380	
Public Works	4,183,100	
Royal Canadian Mounted Police	4,045,691	
Secretary of State	231,134	
Trade and Commerce	308,015	
Transport	888,362	
		$32,397,608
Government-owned enterprises		100,000
		32,497,608
		$1,460,402,232

Mr. HANSON (York-Sunbury): Those are the figures the minister gave before, are they not?

Mr. ILSLEY: I do not think I gave them all. I think I spoke very generally when I introduced the resolution.

Mr. HANSON (York-Sunbury): Is that $603,000 for fisheries in connection with the war?

Mr. ILSLEY: Yes. I shall have to leave it to the minister to explain.

I will ask hon. members to recall that the general picture indicated by these figures was presented at the beginning of the debate, and at that time I added certain qualifications. For instance, there is the matter of duplication in respect of the proposed vote for munitions and supply. It is not just clear to what extent this will be true, but it may be that this $180,000,000 is to some degree a duplication of amounts voted for the defence services.

Mr. HANSON (York-Sunbury): The minister is not able to say to what extent?

Mr. ILSLEY: No; it is impossible. I dealt with that in the speech I made at the beginning, and I said why it was not possible. Then, as I recall, there were two other considerations I wanted the house to have at the time the figures were given. One, of course, was with reference to the uncertainty about deliveries. That always would have to be taken into account. I think the other uncertainty was as to the nature of the developments in the war.

Mr. HANSON (York-Sunbury): I think that is very reasonable.

Mr. ILSLEY: Those are the qualifications; and with those three considerations these are the figures. It was because of the qualifications that I did not want to ask the house for $1,460,000,000. I thought that to ask for $1,300,000,000 was a reasonable thing to do under the circumstances.

Mr. RALSTON: The hon. member for Cumberland (Mr. Black) asked a question to-day with regard to Eastern Passage airport contracts. The hon. member is not here; I have inquired and found that he has left, but I spoke to my hon. friend the leader of the opposition about the matter and I wish to say that I have been in communication with the staff of the ministry for air and that Mr. W. N. Tilley, K.C., was asked by the minister to examine into the matter referred to and to give the minister a report. That report is expected shortly.

Mr. WRIGHT: I should like to ask the Minister of National Defence if he will break down the figures for the army into the amount spent last year for the non-permanent active militia; the amount spent on the active service force; the amount spent on the trainees; the amount spent on the administration of general headquarters; the amount spent on the administration of the different districts; the amount spent on ordnance and stores; the amount spent for construction and repairs, and the amount spent for transportation. I should also like a break-down of what it is expected will be spent during the coming year under the same divisions.

Mr. RALSTON: I am not sure that I have the expenditures for the coming year in that form. The way I have them here is in formations or functions, but I shall endeavour to see if the information can be put in the other form. My hon. friend has given us quite an order there.

Progress reported.

BUSINESS OF THE HOUSE

Mr. CRERAR moved the adjournment of the house.

Mr. HANSON (York-Sunbury): What will be the business on Monday?

Mr. CRERAR: The business on Monday will be a continuation of the discussion on this resolution. If we get it out of committee, and the house is agreeable, we would like to proceed with the bill. Should that not be possible, we will take up the resolutions on the order paper in the name of the Minister of Munitions and Supply, the Minister of Mines and Resources and the Minister of Public Works, also the second readings on the order paper. None of them is very contentious, and probably they will pass quickly. I do not wish to imply that this necessarily will be the order in which these matters will be taken up.

Mr. HANSON (York-Sunbury): But generally speaking?

Mr. CRERAR: Generally speaking.

Mr. MacNICOL: Is this all the auditor general's report we are going to have to help us look into these matters? If so, it will take a long time to get through.

Mr. ILSLEY: There is only the one report for the year.

Mr. MacNICOL: I am asking if this is the only report we are going to get from the auditor general with reference to expenditures for the year ending March 31, 1940. There really is not anything at all in this report. If we are compelled to ask all the questions we may find necessary, I can see us sitting here until next Christmas.

Mr. GARDINER: I am pleased to hear there is nothing in the report.

Motion agreed to and the house adjourned at six p.m.

Monday, March 10, 1941.

The house met at three o'clock.

THE LATE JOHN HALL KELLY

TRIBUTE TO MEMORY OF CANADA'S FIRST HIGH COMMISSIONER TO EIRE

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have to-day received the following cable from Premier de Valera of Eire:

> I wish to express my sincere sympathy with you and the Canadian government on the death of Mr. Hall Kelly, your distinguished representative in Dublin. He has endeared himself to all who knew him, by his personal qualities, and by his zeal and devotion in fostering close and cordial relations between Canada and Ireland.

I am sure that hon. members of this house will have learned with deep regret of the passing of Canada's first high commissioner to Eire. The career of Mr. John Hall Kelly is a record of industry, charity and devotion to the public interest. With few early advantages, Mr. Kelly gained for himself a high place in his chosen profession of law and success in the businesses in which he was engaged. As a member of the legislature of the province of Quebec, as an appointed member of the legislative council, and as minister without portfolio in the government of Quebec, he gave to his native province long and unselfish service. In him were joined the traditional eloquence of the Irish race and an ever present and kindly interest in the welfare of his fellow men.

Since his arrival in Dublin Mr. Kelly quietly and effectively worked for Canadian-Irish good will. His reports to the government have been of much value and it has been a great satisfaction to myself and my colleagues to note how warmly he has been welcomed by the people of Eire. The tribute which has been paid by Premier de Valera to his personal qualities, his zeal and his devotion is, itself, an indication of the loss which both countries have suffered by Mr. Kelly's passing.

Hon. R. B. HANSON (Leader of the Opposition): I desire to associate myself with

the words of the Prime Minister (Mr. Mackenzie King) with respect to the sudden, I might say the shockingly sudden death of Mr. John Hall Kelly. I knew Mr. John Hall Kelly for more than thirty years and had somewhat intimate relations with him extending over that period. I learned to value highly the many good qualities which he possessed, not the least of them being his fine Irish sense of humour.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*CANADIAN ARMY (RESERVE)

Mr. ROSS (Souris):

1. How many regiments are now included in the reserve army of Canada?
2. What is the annual cost to Canada of pay and allowances of reserve army who are on full time pay?

Mr. RALSTON: If the hon. member will permit me, I should like to make a verbal answer to this question, because I conferred with him and I want to give him the information I have at the earliest possible moment. I have not all the information which he asks for.

To the first question, the answer is as follows:

493, composed of regiments of cavalry, batteries of artillery, engineer and signal formations, battalions of infantry, army service corps, medical corps, dental corps, ordnance corps and postal corps units, and Canadian officers training corps contingents.

The answer to the second question is that there are personnel of the reserve army who are employed outside the unit, for instance, on full time duty on staffs of training centres and on district staffs. It is assumed that the inquiry relates to personnel who are performing duties in reserve army units. I have consulted with my hon. friend, and I understand that that is what is desired. There is no fixed annual cost, because the number employed is constantly fluctuating. Information is not available at national defence headquarters without reference to each military district where the pay of officers and other ranks employed full time in reserve units can be segregated from pay and allowances of those otherwise employed and those of the active army. In order to afford some idea of present payments, the military districts were asked to compile the amount of pay and allowances paid to such personnel in the month of January, 1941. This aggregated $242,400. It would require monthly compilations by each district to make up the aggregate amount paid for the calendar year 1940. If this is required, telegrams will be sent to the various military districts asking that these compilations be made, and the results will be tabled as soon as received.

I should like my hon. friend to take into consideration the answer to the question, and if he will let me know, I shall be very glad to comply with his wishes, whatever they may be, with regard to additional compilations.

MUNITIONS AND SUPPLY—SOREL PLANTS

Mr. ROY:

1. Who are the owners of the plants engaged at Sorel in carrying out contracts for the Department of Munitions and Supply?
2. Did the government buy, lease or pay a grant in connection with the letting of these contracts and the operation of these plants, either on behalf of the British or Canadian governments?
3. What are the conditions imposed by the dominion government or by the British government, and what moneys have been disbursed by the dominion government?
4. Has Mr. MacMillan of the Department of Munitions and Supply, after inquiry, recommended the closing of these plants and the transfer of the contracts to other establishments for completion?
5. If so, for what reason?
6. Was the awarding of these contracts to the Sorel company recommended by a member of the dominion government? If so, by whom?

Mr. HOWE: There are two main industries in Sorel, Quebec, engaged in contracts for the Department of Munitions and Supply and for the British government. The Marine Industries Limited are building corvettes, and the Sorel Industries Limited are engaged in work jointly required by the Canadian and British governments. We presume the questioner refers to the latter.

1. The Sorel Industries Limited is a privately owned company operating under a control committee, of which two members represent the Canadian government and two represent the original private company.

2. No.

3. The original contract was entered into by the Sorel Industries Limited with the British government before the Department of Munitions and Supply was organized. The contract has since been revised to take care of Canadian requirements by the Department of Munitions and Supply, and further British requirements. Because of the joint nature of the contract, details as to its terms cannot be given.

4. No.

5. Answered by 4.

6. No. The original contract was a British government contract. The revised contract is a Department of Munitions and Supply Canadian government contract.

BUILDING OF CARGO SHIPS IN CANADA

Mr. BRUCE:

1. How many keels have been laid down in the various shipbuilding yards in Canada since September 3, 1939?
2. How many cargo ships have been completed since September 3, 1939?
3. How many of the said ships are in service?

Mr. HOWE:

1. Steel ships, 104; wooden ships (from 16 feet to 112 feet), 380.
2. None.
3. Answered by 2.

NEW BRUNSWICK TRAINING SCHOOLS—COST OF CONSTRUCTION

Mr. BROOKS:

What has been the total cost of construction of, (a) training centre, Fredericton, New Brunswick; (b) training centre, Edmundston, New Brunswick?

Mr. RALSTON: (a) $253,244.95, as of January 31, 1941; (b) $191,712.59, as of January 31, 1941.

SUSSEX, N.B., MILITARY CAMP

Mr. BROOKS:

1. Is it the intention of the government to purchase more land in the vicinity of Sussex military camp (a) for training purposes; (b) to provide for an airport?
2. What has been the total cost to date for the construction of the Sussex military camp since January 1, 1940?

Mr. CASGRAIN:

1. (a) Under consideration—no decision arrived at. (b) No.
2. Amount committed to March 6, 1941: $2,074,000, of which $1,474,733.56 had actually been disbursed up to January 31, 1941.

*COST OF THIRTY-DAY TRAINING

Mr. LACOMBE:

1. What did it cost the dominion government for each period of the thirty-day training under the Mobilization Act?
2. What was the cost of each camp in Canada used for such training?

Mr. RALSTON: As regards the cost for each period of thirty-day training, in the system of bookkeeping in the department we have no records which would show the complete cost for each period of thirty-day training. What we have is the amount of pay and allowances for each thirty days' training, which is probably what my hon. friend has in mind.

In the matter of food, the hon. member will realize that food is purchased for a much longer period than thirty days, and there is no specific account as to just how much food goes into each day of the thirty-day period; the contracts may run over six weeks or two months. The same applies to clothing. As my hon. friend knows, most of that is capital expenditure. The same answer applies as regards construction. I am going to refer my hon. friend to *Hansard* of February 21 last, page 908, where he will find the combined statement of all the costs for the three months. If he desires pay and allowances separated for the thirty-day periods, that will be done.

With regard to the cost of each camp, I now have figures for most of these camps, but some of them were built by contract and the material and supplies for those were purchased in bulk. The department of my colleague the Minister of Munitions and Supply is now at work calculating the cost for each camp, having regard to the shipments to each camp out of that bulk purchase.

TIMBER CONTROL—EXPORT OF FIR LOGS FROM BRITISH COLUMBIA

Mr. REID:

1. Are the regulations still in effect prohibiting the export of fir logs from British Columbia?
2. Have any regulations been put into effect prohibiting the export of logs from British Columbia of other varieties of wood including spruce, hemlock and cedar?
3. If not, and in view of the importance of these for war purposes, is the government or the timber control board giving any thought or consideration so as to prevent logs of spruce, hemlock and cedar from going to countries at war or not friendly to that of Great Britain and her allies?

Mr. HOWE:

1. Yes.
2. No.
3. The whole question of export of logs is receiving very careful consideration by the timber controller.

MUNITIONS AND SUPPLY—VALUE OF CERTAIN CONTRACTS

Mr. NICHOLSON:

What is the total value of contracts awarded to each of the following firms by the Department of Munitions and Supply and/or the Department of National Defence, since September 1, 1939, (a) Dufferin Paving and Crushed Stone, Limited; (b) Quebec Paving Company; (c) Dual Mixed Concrete and Materials, Limited; (d) Colprovia Roads (Ontario) Limited; (e) Dufferin Paving and Construction (Maritimes); (f) Montreal Dual Mixer Concrete; (g) Natural Quarries, Limited?

Mr. CASGRAIN:

(a) $34,530.
(b) to (g) None.

TRADE BETWEEN CANADA AND JAPAN

Mr. HANSON (Skeena):

1. What was the total value of all imports from Japan during each of the years, 1937 to 1940, inclusive?

2. What was the total value of all exports from Canada to Japan during each of the years, 1937 to 1940, inclusive?

Mr. MacKINNON (Edmonton West): Canadian external trade with Japan, during the calendar years 1937 to 1940:

Calendar Year	Imports entered for consumption	Exports
1937	$5,874,940	$25,807,048
1938	4,642,762	20,782,259
1939	4,864,090	28,177,023
1940	5,887,330	11,366,892

SHIPMENTS OF PULP LOGS AND LUMBER TO JAPAN

Mr. TUSTIN:

1. What quantity and value of pulp logs have been shipped to Japan since September 1, 1939?

2. What quantity and value of all other kinds of lumber have been shipped to Japan during the same time?

Mr. MacKINNON (Edmonton West):

1. Exports to Japan, during the period Septemper 1, 1939, to January 31, 1941:

	M. ft.	Value
Logs, Douglas fir..	3,226	$ 92,326
Logs, hemlock..	32,810	528,430
Logs, spruce..	66	1,018
Logs, other softwood.. ..	7,279	100,393

2.	M. ft.	Value
Planks and boards..	86	$ 1,035
Timber, square..	1,202	20,664

OIL CONTROLLER

Mr. HOBLITZELL:

For what special purpose was the oil controller appointed?

Mr. HOWE: P.C. 2818, paragraph 2, sets out the purpose for which the oil controller was appointed as follows:

"And Whereas it is deemed necessary to conserve, co-ordinate and regulate the oil and petroleum resources and industry of Canada, in order to fulfil the present and potential needs of Canada and her allies and for such purpose to appoint an oil controller."

See also minister's statement regarding controllers, page 268 *Hansard*.

NON-INTEREST BEARING WAR LOANS

Mr. NICHOLSON:

1. How many individuals have subscribed to interest free war loans, (a) under $1,000; (b) between $1,000 and $5,000; (c) over $5,000?

2. What totals were subscribed in each of the above?

3. How much has been spent by the government in popularizing voluntary non-interest bearing war loans?

Mr. ILSLEY:

1 & 2.	No. of applications	Amount
Up to $1,000.. ..	5,903	$1,098,394.78
$1,000 to $5,000..	191	271,290.77
$5,000 and up.. ..	84	4,639,500.00
	6,178	$6,009,185.55

3. $667.45.

PUBLIC DEBT

Mr. RAYMOND:

1. What was the gross debt of Canada on, (a) September 1, 1939; (b) March 1, 1941?

2. What was the net debt of Canada on, (a) September 1, 1939; (b) March 1, 1941?

Mr. ILSLEY:

1. Gross debt of Canada:
   August 31, 1939.... $3,763,645,202 13
   February 28, 1941.. 4,815,107,164 63

2. Net debt of Canada:
   August 31, 1939.... $3,126,946,251 96
   February 28, 1941.. 3,536,514,901 59

*INTEREST RATES

Mr. TUCKER:

1. Will the government give consideration to the advisability of introducing into parliament, as an emergency war measure, an amendment to the Interest Act providing for the compulsory reduction, for the period of the present war, of all interest rates on all mortgages on and agreements for sale of land entered into prior to the war, to 5 per centum per annum?

2. Alternatively, will the government give consideration to the advisability of putting farmers in Saskatchewan, who in previous years obtained proposals under the Farmers' Creditors Arrangement Act (which proposals usually provided for interest rates of 7 per cent per annum and later of 6 per cent per annum on land mortgages), on the same basis as farmers recently obtaining proposals (which recent proposals now provide for the interest rates of 5 per cent per annum) by an amendment to the Interest Act, reducing such interest rates on all proposals heretofore made to 5 per centum per annum?

Mr. ILSLEY: This question relates to policy. It is not the practice of the government to disclose matters of policy in giving answers to questions.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TUG "HELENA"

Mr. GILLIS:

1. From and through whom did the Department of Public Works purchase the tug *Helena*, at Sydney, Nova Scotia, and at what cost?

2. To what use has the said tug been put during the past five years and what are her earnings?

3. What has the tug *Helena* cost the department during the past five years for maintenance, repairs, wharfage and watchman or ship's husband?

4. To whom were these amounts paid and how much to each person?

5. Can any department of the government make profitable use of this craft? If so, why has this not been done?

6. Why has this craft not been disposed of by the government?

7. Have any craft of similar build, tonnage and power been acquired or chartered by the government for any purpose while the *Helena* was idle?

Mr. CASGRAIN: Return tabled.

OIL CONTROLLER

Mr. HOBLITZELL:

1. Who has been appointed as oil controller?

2. What previous experience did he have in the oil business before appointment?

3. What remuneration or expenses have been paid to date to the oil controller, and what are the total expenses of the oil controller's department since it was set up?

4. Is the head office of this department located in Ottawa? If not, where is it located, and for what reason?

5. What are the names of the persons employed by the oil controller and what were the previous occupations of each of them?

6. Are all appointments to the staff made by the said controller? If not, by whom?

7. What is the salary paid to each and what are their respective duties?

8. What office rent is being paid for the head office, and from whom is the space rented?

9. What solicitors has the oil controller employed, and what are they being paid?

10. How many applications have been made for new service stations or retail gasoline outlets since the appointment of such controller, and by whom?

11. How many applications have been approved of and to what individuals, company or companies were permits issued?

12. How many applications have been rejected, and what are the names of the applicants in each case?

13. How many retail outlets have been erected since applications have been approved, how many have yet to be started, as of this date, and to what individuals, company or companies were these permits issued?

14. Have applications been made by any oil company on behalf of any applicants? If so, by what company, and have any such applications been granted?

15. Have any arrangements been entered into between the government and any individual or any oil company or companies whereby financial assistance would be provided by the government?

Mr. HOWE: Return tabled.

IMPORTS OF CANNED BEEF

Mr. LEADER:

1. How many pounds of canned beef were imported into Canada during each of the fiscal years 1939 and 1940?

2. What was the country of origin, and the number of pounds from each?

3. Who were the consignors and to whom was this canned beef consigned?

4. Is any of this canned beef being served to our military forces in Canada or overseas? If so, how much?

[Mr. Gillis.]

PURCHASE OF CALGARY PROPERTY FOR OFFICERS' QUARTERS

Mr. HANSELL:

1. What was the total amount paid for the Shaver funeral home on First street east, Calgary, now used as officers' quarters?

2. What additional amount has been expended on alterations of this building?

VESSEL "DOROTHY AND FRANCES"

Mr. HAZEN:

1. From whom and through whom did the government purchase the vessel *Dorothy and Frances* which was registered at port of Saint John on May 28, 1940, under the new name of *General Biggar*?

2. How much did the government pay for this vessel?

3. What was the age of the vessel when purchased?

4. What was its size and tonnage?

5. After the vessel was purchased, (a) were the repairs and improvements made in it; (b) were tenders called for same; (c) who made these repairs and improvements; (d) what did they cost; (e) when were they made?

6. When was this vessel first put in commission by the government?

7. After the vessel was put in commission, (a) were further repairs made to it; (b) who made these further repairs; (c) how often has it been repaired since; (d) who made these repairs; (e) how much did they cost?

8. What is the total cost of repairs and improvements to date?

COMMEMORATIVE AND HISTORICAL POSTAGE STAMPS

Mr. BLACK (Cumberland):

1. What special commemorative and historical postage stamps have been issued since 1900 by the postal department of Canada; stating subjects or occasions, denominations, year and whether there was a reissue?

2. What list of men, explorers or events were specifically honoured on Canadian historical or commemorative postage stamps, giving date and denomination of such issues?

3. Have special postage stamps been issued in honour of: Sir Charles Tupper, Sir J. S. D. Thompson, Sir Robert Borden, Honourable Joseph Howe, Sir Sanford Fleming, Sir Samuel Cunard, Sir A. G. Archibald, Honourable E. Whalen, or of John Cabot, Sebastien Cabot, Champlain habitation at Annapolis Royal or Citadel at Halifax?

4. Has any Nova Scotia man or woman been honoured by special issue of Canadian postage stamp?

Mr. MULOCK: Return tabled.

SALES TAX ON RAW LEAF TOBACCO

Mr. FERLAND:

1. What quantity of raw leaf tobacco, exclusive of flue cured tobacco, was produced in 1940 and 1941, (a) in Canada; (b) in Ontario; (c) in the province of Quebec?

2. What approximated quantities of this raw leaf tobacco are still unsold and in the possession of the growers?

3. What was the average price per pound paid for this type of tobacco to the producers, since the month of August last, (a) in Ontario; (b) in Quebec?

4. Is it a fact that the tobacco producers of the province of Quebec can hardly sell their tobacco at five cents per pound and without profit?

5. What was the amount of taxes collected by the national revenue department from the sale tax of ten cents per pound on all Canadian raw leaf tobacco?

MOTIONS FOR PAPERS

OIL CONTROLLER

Mr. HOBLITZELL:

For a copy of all orders in council, reports, memoranda and correspondence between the Minister of Munitions and Supply or any officer, clerk or employee of the Department of Munitions and Supply and the oil controller, his officers, assistants and employees and associates and consultants in his own or any department of government having reference to the constitution of the oil controller and of his office, or the control of oil or the oil production and supply business or having reference to the maintenance and carrying on of the office of oil controller and the various policies to be pursued by him, or acts, matters and things proposed, done or to be done by him during the years 1940 and 1941 to the present time.

Mr. HOWE: As I understand the rules of the house, correspondence between a minister and one of his officers is privileged, and therefore this order cannot be complied with.

TRENTON, ONT., AIRPORT

Mr. STOKES:

For a return showing, names and addresses, nature of employment and salaries of each civilian employed at Trenton airport, as of February 1, 1941. Also a statement showing who recommended the appointment of each of these persons.

WHEAT—PROCESSING LEVY

Mr. SHAW:

For a copy of all letters, telegrams and other documents exchanged between the government or any department thereof or any government board or any official thereof and any person, persons or firms, in respect to the processing levy on wheat products in the provinces of Quebec, New Brunswick, Nova Scotia and Prince Edward Island.

Mr. MacKINNON (Edmonton West): We are ready to furnish all the information required, but it would be very helpful to have this motion particularized.

Mr. SPEAKER: Dropped?

Mr. MacKINNON (Edmonton West): No, not necessarily.

Motion stands.

VICTORIA COAL COMPANY

NOTICE OF CLOSING OF BRIGHT-LITE MINE, NOVA SCOTIA, ON APRIL 30 NEXT

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I wish to direct a question to the Minister of Mines and Resources (Mr. Crerar). Men employed by the Victoria Coal company in the mine known as the Bright-lite at River Hibbert, Nova Scotia, employing 110 men, have been informed by the company and the provincial department of mines that that mine will be closed on April 30 next. In view of the demand for coal at the present time, is there any possibility of keeping the mine operating in this area?

Hon. T. A. CRERAR (Minister of Mines and Resources): I do not know of any action which the federal government could take to compel a mine to operate in the province of Nova Scotia. As my hon. friend knows, the mines of Nova Scotia are under the control of the provincial government.

Mr. HANSON (York-Sunbury): But you have taken authority under the War Measures Act to do this very thing. What is it for?

Mr. CRERAR: I might refer to the observation of the leader of the opposition, who has hastened to the rescue of the hon. member for Cape Breton South. I do not know anything about the particulars of this mine. I should assume that if the provincial government, who are familiar with the operations, thought it was not advisable to maintain the mine in operation, their judgment would probably be sound. In any case I do not think it will affect the volume of coal that will be moved from Nova Scotia to other parts of Canada, whether the mine remains open or is shut down. There is plenty of coal available to meet the requirements that can be moved at the present time.

UNEMPLOYMENT RELIEF

QUESTION OF FEDERAL AID TO PROVINCES BY WAY OF GRANT OR LOAN

On the orders of the day:

Mr. A. H. BENCE (Saskatoon City): May I ask a question of the Minister of Labour (Mr. McLarty). Has the government under consideration the question of assisting, by way of either grant or loan, provinces which have indicated that they are unable to provide sufficient funds for their relief requirements? If so, when may we expect to have a statement with respect to the matter?

Hon. N. A. McLARTY (Minister of Labour): I shall have to get some information to answer the question, because so far as I am aware, unless they might have come to the Department of Finance, no representations of that kind have so far been made to the Department of Labour. I shall be glad to inquire whether they have or not, but that is about the only answer I can give to-day.

WHEAT

INQUIRY AS TO GOVERNMENT POLICY FOR CURRENT CROP YEAR

On the orders of the day:

Mr. ROBERT FAIR (Battle River): May I ask the Minister of Trade and Commerce (Mr. MacKinnon) whether the government has formulated a wheat policy for 1941?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I am hoping to be able to make a statement on wheat very shortly.

Mr. PERLEY: Will the minister, before he makes that statement as to policy, table any recommendations that have been made by the advisory committee to the wheat board, either to the board or to the government, since September 1 last?

I can hardly consider a shake of the head as an answer by the minister to the question asked. Will he tell us whether the advisory committee has made any recommendations, and if so will he table them?

Mr. MacKINNON (Edmonton West): I shall take the hon. gentleman's question under consideration.

PROVINCIAL BOUNDARIES

REFERENCE IN SPEECH FROM THE THRONE IN ALBERTA TO EXTENSION NORTHWARD

On the orders of the day:

Mr. M. J. EDWARDS (Calgary West): In the speech from the throne, delivered at the opening of the legislature of Alberta on February 20, there appears the following:

The government—

That is, the government of Alberta.

—is pressing strongly for extension of the province's boundaries to include the rich mineral areas of the northwest territories in order that orderly development may be speeded up. We have received with great satisfaction the assurance of the federal government that there appears to be no reason why this should not be done.

I should like to ask the Prime Minister, or the appropriate minister, what and when the alleged representations, if any, were made by the provincial government to the federal government for extension of the boundaries of Alberta, and what assurance if any the federal government has given to the province of Alberta with respect to this matter.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before attempting to reply to the question which my hon. friend has just asked, I think I should say to him and to hon. members that the answer will depend upon the interpretation placed upon the clause which appears in the speech from the throne of the Alberta legislature, more particularly upon the meaning to be attached to the word "this" as it appears in the text. My hon. friend gave me a copy of his question as I came into the house. The clause quoted reads.

The government is pressing strongly for extension of the province's boundaries to include the rich mineral areas of the northwest territories in order that orderly development may be speeded up. We have received with great satisfaction the assurance of the federal government that there appears to be no reason why this should not be done.

If "this" refers to the Alberta government's pressing strongly for an extension of the boundaries, the statement is wholly correct; but if the word "this" is to be interpreted as meaning that there must be an immediate extension further northward of boundaries of Alberta or of any other province, I cannot say that any such undertaking has been given.

What I recall at the moment is this. At the time of the conference between the provinces and the dominion, held a month or two ago, the premier of Alberta and one of his colleagues called upon me to speak about the possible extension of the boundary of Alberta further northward, and wished to know whether this matter could not be taken up at once. Having had one experience with the conference between the dominion and the provinces, my first reply was that I questioned the wisdom of attempting anything of the kind just at this particular time. I had been reminded that there were more pressing matters connected with the war than some of the domestic issues that might be raised. I stated that I doubted whether it would be possible to take up the question of the extension of the boundaries of Alberta to the north without also taking up at the same time, with the governments of Saskatchewan, Manitoba and British Columbia, the question of the extension of their boundaries further north.

I did say that the government at different times had had this matter under consideration but that we had reached no final conclusion with respect to it. However, it was pointed out to me that, in the minds of our friends in Alberta, the addition of the northern lands to the province might be a means of furthering the war effort because of some of the resources that existed there, and I was asked whether I would not arrange to have the matter looked into from that point of view. I replied that

I should certainly be only too pleased to do so, and after the conference I met my colleague, the Minister of Mines and Resources (Mr. Crerar), and asked him to have the officials of his department look into the question of resources to the north of the province of Alberta with a view to considering whether at the present time it would be desirable to take up further with the Alberta government and the governments of other provinces the possibility of an extension of their boundaries to the north. That, I think, accurately represents what was said at the time. As I say, the clause that appears in the speech from the throne is capable of different interpretation. This may be the one that is meant.

TRANSPORT COMMISSION

JUDGMENT AS TO DISCONTINUANCE OF BEISEKER-LANGDON, ALTA., RAILWAY LINE

On the orders of the day:

Mr. C. E. JOHNSTON (Bow River): I wish to direct a question to the acting Minister of Transport. I am informed that the board of transport commissioners handed down a judgment last week authorizing discontinuance of the railway which runs between Beiseker and Langdon, Alberta, and removal of the tracks. In view of the fact that there is already a serious wheat storage situation, would the minister think it desirable in connection with our war effort to have this road continued in view of the fact that its discontinuance will put out of use five different elevators along the line?

Hon. C. D. HOWE (Minister of Munitions and Supply): As acting Minister of Transport I have to say that I have no knowledge of this situation. But I may point out that a decision of the board of transport commissioners is not subject to review by the Minister of Transport. The only authority that could answer the question is the board of transport commissioners itself, which is a judicial body responsible to no one.

Mr. HANSON (York-Sunbury): Well, there is an appeal to the governor in council from any order of the board of transport commissioners, so that that is hardly a fair statement.

Mr. DOUGLAS (Weyburn): What about the National Resources Mobilization Act?

WAR APPROPRIATION BILL

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

The house resumed from Friday, March 7, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Fournier (Hull) in the chair.

Hon. J. L. ILSLEY (Minister of Finance): On Friday last I placed on *Hansard* a detailed statement of the amounts submitted by departments making up the sum of $1,460,402,232. Those were the amounts submitted by departments to January 31, 1941; they will be found on pages 1352-3 of *Hansard* of March 7. There have been some revisions of those amounts since, and I should like now to place on *Hansard* a statement of the revised amounts submitted by the departments to March 10, 1941. The total will be $1,450,426,059, a reduction of approximately $10,000,000. There are increases in five departments or branches totalling $2,586,433 and decreases in four departments or branches amounting to $12,562,606. If the committee would like me to give now the increases and decreases—

Mr. HANSON (York-Sunbury): Could the revised table not be put on *Hansard*? That would be much preferable.

Mr. ILSLEY: Yes, I will put it on *Hansard*. The statement is as follows:

War Appropriation, 1941-42

Revised Amounts Submitted by Departments to March 10, 1941

National Defence—			
Departmental administration		$ 746,660	
Army services		666,574,659	
Naval services		169,640,304	
Air services	$421,619,348		
Less—			
Recoverable	35,000,000		
		386,619,348	
Internment operations		8,232,697	
Censorship		207,636	
Dependents' allowance board		342,240	
Royal Military College		434,492	
Northwest Territories and Yukon radio		177,500	
Inspection board—United Kingdom and Canada		3,510,640	
			$1,236,486,176
Munitions and Supply—			
Administration		$ 3,500,000	
Expansion of industry		176,958,422	
			180,458,422
			$1,416,944,598
Other departments—			
Agriculture		$ 7,877,550	
Auditor General		72,000	
Civil Service Commission		126,822	
External Affairs		288,500	
Finance		2,034,513	
Fisheries		603,000	
Justice		79,260	
Labour		4,878,404	
Mines and Resources		657,245	
National Revenue		5,600	
National War Services		1,789,400	
Pensions and National Health		3,804,900	
Post Office		495,085	
Prime Minister's Office		11,500	
Privy Council Office		6,380	
Public Works		4,183,100	
Royal Canadian Mounted Police		4,045,691	
Secretary of State		231,134	
Trade and Commerce		308,015	
Transport		888,362	
		$ 32,386,461	
Government-owned enterprises		1,095,000	
			33,481,461
			$1,450,426,059

Reconciliation

Estimates—January 31, 1941			$1,460,402,232
Add—Items increased over original estimates—			
National Defence—Air		$ 619,348	
Munitions and Supply—administration		750,000	
Pensions and National Health		140,500	
Post Office		81,585	
Government-owned enterprises		995,000	
			2,586,433
			$1,462,988,665
Deduct—Items reduced under original estimates—			
Finance		$ 74,380	
Munitions and Supply—industry		969,678	
National Defence—navy		11,359,696	
National War Services		158,852	
			12,562,606
			$1,450,426,059

Mr. HANSON (York-Sunbury): On February 18 the minister gave a statement, found at page 823 of *Hansard,* of the payments, the actual cash outgo, amounting to $538,804,000. He said:

For the full fiscal year it is now estimated that our total war expenditures will approximate $875,000,000. That is the closest, the most accurate estimate that can be made now.

I suggest that the minister put on *Hansard* now a table—the figures are so large that we cannot follow them—showing the breakdown of this sum in somewhat the same form as the one he gave on Friday—that is, the amount spent by the three branches of the Department of National Defence, the Department of Munitions and Supply and the other departments that are doing war work.

Mr. ILSLEY: Yes, I can do that at once. Would the hon. gentleman like to have it all together, coupling it with the actual expenditures to January 31, 1941?

Mr. HANSON (York-Sunbury): Yes.

Mr. ILSLEY: I find in connection with these statements that two or three weeks afterwards officials come and say that slight corrections have to be made, but these never affect the picture substantially. It runs in my mind that in one or perhaps more of these figures of actual expenditures to January 31 there were corrections made and brought to my attention in the middle of February. But they do not amount to anything in the total.

I will put on *Hansard* now the estimated war expenditures by departments and services for the fiscal year 1940-41, with actual expenditures to January 31, 1941. They will be subject to slight corrections in respect to the actual expenditures.

Estimated war expenditures by departments for fiscal year 1940-41, with actual to January 31, 1941

	Estimate 1940-41	Actual to Jan. 31/41
Agriculture	$ 5,828,000	$ 3,499,000
Auditor General's Office	60,000	36,000
Chief Electoral Officer	5,000	5,000
Civil Service Commission	135,000	79,000
External Affairs	379,000	218,000
Finance	1,656,000	1,218,000
Fisheries	173,000	158,000
Justice	47,000	24,000
Labour	1,610,000	645,000
Mines and Resources	364,000	207,000
Munitions and Supply	120,770,000	61,176,000
National Defence:	Estimate	Actual
Administration	$ 1,186,000	$ 926,000
Dependents' Allowance Board	242,000	188,000
Military Services	404,714,000	268,687,000
Censoring	185,000	149,000
Internment	3,957,000	2,521,000
Radio Services, N.W.T. and Yukon	146,000	93,000
Royal Military College	360,000	279,000
Naval Services	85,460,000	58,266,000
	$496,250,000	$331,109,000
National Defence—Air Services	230,000,000	127,481,456
National Harbours Board	250,000	200,000
National Research Council	542,000	302,000
National Revenue	5,000	4,000
National War Services	2,522,000	1,418,000
Pensions and National Health	3,519,000	2,280,000
Post Office	685,000	155,000
Privy Council	6,000	4,000
Public Works	5,540,000	3,799,000
Royal Canadian Mounted Police	2,759,000	2,023,000
Secretary of State	181,000	123,000
Trade and Commerce	22,000	18,000
Transport	1,260,000	504,000
Totals	$874,568,000	$536,685,456

Mr. MacINNIS: Before this resolution is reported I want to refer to a matter that has not received very much consideration so far. I refer to the great discontent that is prevalent among workers at the present time and to the unsatisfactory employer-labour relations in our war industries. One of the important factors operating against efficiency in our war industries is that neither the government nor employers of labour have tried to secure the confidence and cooperation of organized labour. I have never known of so much discontent among working people as prevails at this time. It arises from the fact that too many industrialists have looked upon war contracts as a lucky bit of business and have failed to realize that they are engaged in a business which concerns not them alone but every Canadian. War contracts are often looked upon as an addition to the ordinary business turnover rather than as a challenge to our industries to organize the country's resources in an all-out endeavour to destroy the menace to our democratic way of life. After all, I am not so very much surprised that employers look at things as they do. Certainly their outlook and actions at the present time are not democratic. Indeed now in Canada we are seeing a repetition of those things that have been either fatal or nearly fatal to the war effort of our allies in other parts of the world. It was this same attitude on the part of British industrialists, until after the fall of the Chamberlain government, that proved nearly fatal to Great Britain. It was this attitude on the part of the French industrialists that brought about the fall of France; and indeed it is not likely that there has been any change since.

The great majority of the workers in Canada are not only willing but anxious to do their bit in this struggle, but in doing it they want to be considered and accepted as partners in the fight we are engaged in. They want to be consulted on policy and on organization. They object to being considered only good enough to be ordered about. A great deal of time and energy is being frittered away in labour disputes that could be used to better advantage in organizing our industries for a successful conclusion to this struggle.

It is almost unbelievable that at this time, when united effort is demanded of everyone, employers should refuse to recognize and cooperate with their employees on a basis of equality. It is even less understandable that the government's policy in planning and organizing the country's war effort should have almost completely left out organized labour. Earlier in this debate, when the matter of conditions in the Malton plant was discussed, the Minister of Munitions and Supply was asked if he could give any reason for the high labour turnover in that plant, and he said he could not. I asked if he had consulted the workers in the plant, and he replied that he had not, that he had enough grief consulting with the management. It seems to me that in this reply is summed up the whole attitude of both the employers and the government towards the hundreds of thousands of workers in this country who perform the actual labour necessary to our war production. The dissatisfaction in the Malton plant, where in six months there was a labour turnover of from seventy-five to ninety per cent, is not exceptional, but for the turnover figures.

Discontent is rampant in the war industries throughout the country. In the aircraft industry, one of the most important in the war effort, and in this particular plant, there is admittedly a high labour turnover. Yet it never occurred to anyone—not even to those giants, the dollar-a-year men in the Department of Munitions and Supply—to approach the workers in the plant and ask what was the cause of their discontent. It seems to be the studied policy, both on the part of the government and on the part of employers, not to consult labour. The attitude seems to be something like this: Oh, you must not consult labour. It is dangerous. They might get an inflated idea of their importance. Labour must be kept in its place. You give the workers orders; you post notices for them to read, and of course you ask them to subscribe to war savings campaigns, but you must never consult them in regard to the work they are doing, or ask if they have any ideas as to how efficiency and output might be improved.

That seems to be the whole attitude, and before I sit down I am going to prove it. Employers and members of the government must get away from that point of view, otherwise we may very well lose the war; and if we should win it under such policies certainly we will lose the peace. We will have gotten so far away in practice from the principles for which we are supposedly fighting that when peace comes with its own problems we will still be fighting on the labour front. We must realize that to-day efficient production depends upon harmonious labour relations in industry just as much as it depends on efficient management in other directions.

In Great Britain labour is consulted at every turn. If similar conditions prevailed here, there is no reason to doubt that organized labour would act as a check on managerial inefficiency, as it has done in Britain. In my opinion it is necessary to give this recogni-

tion to labour for two reasons. First, it will improve the general morale so necessary for efficient production, and in that way greatly accelerate the war effort. Second, the democratic objectives of the war make this recognition imperative. Some little time ago we had as a visitor to our country an outstanding labour representative from Great Britain, Sir Walter Citrine. He spoke in many cities across Canada, including Ottawa. I quote a few words from the report of his speech in Ottawa as it appears in the *Canadian Congress Journal* for February:

> The development of collective bargaining in Great Britain is so complete that all but the tiniest fraction of disputes are settled between the employers and the trade unions without any government intervention of any kind.

Then he continued:

> After all is said and done before you can have order in industry you must have organization in industry. Before trade unions can control large masses of people those large masses must be members of the unions. In other words, you cannot speak and act for and control a constituency you do not represent.

How impossible it would be for a labour representative from Canada to go to the old country or anywhere else and make a similar statement in regard to Canada!

The situation here is bad from every point of view. Lack of organization is responsible for bad working conditions, and is responsible indeed for the inefficiency prevalent in our war production. I have under my hand dozens of letters complaining of conditions in war industries. Among them I find one from workers in a Montreal plant working on a war contract—The Montreal Construction Supply and Equipment Limited. The chief complaints are, first, that the sanitary conditions in the plant are bad. They say the floors are continually covered with water. To absorb that water sawdust is spread, and the men have to stand in that wet sawdust during the whole of their working time. The second complaint is that at that time the plant was running seven days a week, with considerable overtime—this at a time when many men are idle, and when men are being laid off in other plants engaged in war work.

Then, not only do they work seven days a week, but they work eight-hour shifts, with only fifteen minutes off for lunch. It is claimed that the bolting of meals, unavoidable under these conditions, is having a bad effect on the health of the workers. Furthermore, government wage scales call for 40 cents an hour as a starting wage, increasing to 50 cents an hour after twelve days. But the company, it is said, pays no attention whatsoever to these regulations. Some men have worked in the plant as long as four months before receiving the stipulated increase.

This company will not tolerate any attempt at labour organization in the plant. I am informed that one of the Catholic trade unions held meetings to which workers in this plant were invited. The company had its stool pigeons at the meeting, and the workers who attended were dismissed the next day. After this episode, the superintendent of the plant, Mr. Lemieux, called the men together as they came off shift and warned them against unions, saying that such unions were made up of crooks and thieves.

We have thousands of police watching for subversive activities among workers and others. But it is treatment of this kind which causes workers to listen to subversive talk, and to take action which in many cases must ultimately be detrimental to themselves. We will abolish discontent and strife in industry only as we accept the policy, and act upon it, that workers are not just a part of the industrial raw material, but that they are human beings with hopes and aspirations, and they must be considered as such. If we are to have peace and harmony in industry, if we are to have the highest degree of efficiency in production, employers must not only concede the right of the workers to organize but must recognize that because of such organization the workers shall have some say in setting up the wages and the conditions under which they are to work.

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

Mr. MacINNIS: Yes.

Mr. CRUICKSHANK: What is the hon. member reading from?

Mr. MacINNIS: I am reading from a report I have prepared from letters received from employees of the company to which I have referred. I say that ultimately they must be given a voice in the management of industry; for in that direction only lies peace and progress.

By order in council P.C. 6286, employees upon leaving the employment of an employer must have a clearance card from such employer before they can obtain employment in another plant engaged in war work. I have complaints from employees in a number of plants that this regulation made by the government is being used by employers to blacklist men they do not like. I am told that on each card there is a number, and that No. 1 may mean one thing, No. 2 means something else, and No. 3 something else again. For instance, No. 1 may mean that

a man is a poor worker; No. 2 may mean that he is an agitator, that he is a member of a trade union. Because of this information it may become impossible for men released from one job to get work anywhere else.

Then, there is continual intimidation and discrimination against union workers.

Mr. HANSON (York-Sunbury): Does the hon. member say that that is universal throughout Canada, or is he taking an isolated case?

Mr. MacINNIS: Do I say it is universal?

Mr. HANSON (York-Sunbury): Yes?

Mr. MacINNIS: If my hon. friend means to ask whether I suggest that every employer in Canada acts in this way, I will say no. But it does happen in a large number of cases.

Mr. HANSON (York-Sunbury): Is it general?

Mr. MacINNIS: I would say it is fairly general, particularly in the war industries.

When parliament reconvened after the recess, on February 17, I drew to the attention of the Minister of Labour (Mr. McLarty) certain dismissals in the Biltmore Shirt company's factory at Montreal because of union activities. I have been told unofficially that the Department of Labour is satisfied that discrimination has taken place in that plant. Despite that recognition the men who were dismissed have not yet been restored to their jobs.

Dismissals take place for trade union activity despite the government's order in council expressing the desire that employees and employers get together in a scheme of collective bargaining to settle grievances. Collective bargaining is absolutely impossible unless opportunity is given the workers to organize.

At the present time employees of the National Steel Car Corporation of Hamilton, a company which has received many war orders, have two cases pending in the courts under section 502A of the criminal code, which has to do with the dismissal of employees because of trade union activities.

I have in my hand a number of "application for employment" forms now used in many industries. I am told they are approved by the government; on that point, however, I have not had verification. One in particular which I hold in my hand was given some publicity a short time ago. It is a form which was handed the employees of the International Metal Industries Limited at Vancouver. Incorporated with this company is the Canadian John Wood Manufacturing Company Limited; Service Station Equipment Company Limited; Canadian John Wood, Vancouver, Limited, and Fess Oil Burners of Canada Limited. This application calls for the name and address and other necessary details of that kind, which is all right. Then it proceeds to ask these questions:

Have you previously been in the employ of this company?
In what capacity?
Reason for leaving?
Nationality?
Are you naturalized?
What is your religion?

Why should an employer of labour be interested in the religion of his employee? Is not a man's religion his own private business? He may have a religion or he may have none. What has that to do with employment? Then follow the questions:

Married, single, widow, widower, separated or divorced?
Number of dependent children; respective ages.
Other dependents—specify.
What is your height?
Weight?
Physical handicaps?
Have you a hernia?
Any chronic ailment such as tuberculosis or silicosis?
Are you willing to submit to a physical and medical examination?
Are you drawing a pension?
Reason?
Amount?
Are you buying your home, renting, boarding, or living at home?
How much life insurance do you carry?
Are you in debt?
Are you, or have you ever been a member of any labour organization? Specify.
Date?
What interests or hobbies have you?

What is the object of asking a man if he has ever belonged to a labour organization? There can be only one object, and that is to refuse him employment if he has.

Here is something else he must sign. I ask hon. members to listen to this. This is an agreement giving the company right of search. It reads as follows:

I agree that the company, at any time and from time to time, by and through its officers and/or duly authorized agents of the company or any of the officers of the company (hereinafter called "officers or agents") may, and shall have the right, to search through my clothing or any box, locker, container or conveyance of mine while on the company's property for any chattel or other property of the company and in so doing may apply force to my person. Such search may be made at any time and from time to time whether or not there be any suspicion or any good or valid ground for suspicion on the part of the company or its said officers or agents that any chattel or other property of the company may be in my possession or may be found as a result of such search. Should any chattel or other property

of the company be found as a result of any such search the company may then by and through its officers or agents enter any residence or place of abode of mine and may and shall have the right to search for any chattel or other property of the company and, in connection with any such entry and/or search, may break or remove locks and may force open windows and/or doors. I declare that the above rights and powers are terms of and are incidental to my employment. I specifically release and agree to release and waive any and every claim which I may ever have for damages or otherwise resulting from the exercise of any of the above rights and powers or from any force, assault or other action in connection with the carrying out or enforcing of the foregoing provisions or from any force, assault, trespass or forcible entry in respect of any of the matters herein set out. Should no chattel or other property of the company be found in my residence or place of abode which has been entered under the provisions hereof the company will make good the damage done to locks, doors or windows in effecting any such entry as contemplated hereby.

There is a whole lot more he is asked to sign.

Mr. HOWE: What company is that?

Mr. MacINNIS: International Metal Industries Limited, at Vancouver. The men and women who work in these plants have no access to the means of life other than through the sale of their labour to those who are willing to buy it. Through force of circumstances they are compelled either to sign a document like this, or refuse and go out to look for work somewhere else where they may have to face the same kind of thing, or apply to the relief authorities for the means of sustenance.

This is not the only company in connection with which the condition I refer to prevails. Here is another one mentioned in the Saskatoon *Star-Phoenix* of February 14, 1941—the Richardson Road Machinery Company Limited, which has a contract for the manufacture of war supplies. In this case the applicant is asked what is his religion; then, "Have you carried a union card?" "Do you believe in a competitive system of work or business?" Then they want to know the man's political preference. They ask: Are you a socialist? Here we find the dirty snout of political patronage entering into the situation. It seems that this company is particularly opposed to one kind of political preference. I ask the government what they are going to do about this sort of intimidation.

Mr. HOWE: What does the hon. member recommend?

Mr. MacINNIS: I would recommend that under the War Measures Act freedom should be given to the working classes of Canada. If the workers carried on in this way I would not have to tell the Minister of Munitions and Supply what to do, nor would he ask me for my advice as to what should be done. He would jolly soon find out how to deal with them.

Mr. HOWE: The labour laws are provincial.

Mr. MacINNIS: The War Measures Act is the constitution of Canada until the end of the war, and the minister cannot get out of it with a remark like that.

I should like to refer to the application form which is placed before those seeking employment with the Fairchild company of Montreal. Not only do men applying for work in this plant have to fill out an application form of this kind, but they are finger-printed as well. I am told by the employees that this is done with the connivance, if not with the consent of the government. It is felt that eventually these finger-prints will be in the custody of the Royal Canadian Mounted Police. A letter which I have in my hand contains the following:

> Our immediate danger, as I see it, is from these new application forms which delve rather deeply into a person's ancestry, immediate past, and spare time activities, since one of the questions asks the applicant to give the names of any clubs, associations, et cetera to which he has belonged within the last ten years.

Mr. GLADSTONE: I understand that all employees in munitions works in the United States are finger-printed.

Mr. MacINNIS: All employees in munition works in Germany may be nose-printed for all I know, but that does not say that that is good enough for us here. If the government thinks it necessary to finger-print the employees of any Canadian industry, why not consult with the officials of the trade union movement? Put the case before them, tell them what is required, and I am satisfied that they will be found to be reasonable and ready to give their consent to anything that may be necessary in this emergency. If they give their consent, I am sure that the rank and file of the labour movement will agree to what is necessary when they understand it.

There are a number of other matters to be considered. There is the question of the recognition of trade unions, the applications for conciliation boards, and the taking of the votes which are necessary before such boards are granted. I am told that in a number of cases the employers have interfered with the taking of the vote and have attempted to intimidate the employees. I am informed also that the government No. 1 pet contractor, the John Inglis company, have stated their intention to run an open shop. An

open shop is a shop where there is no dealing with the workers through a labour organization I should be much surprised if a vote were taken of Canadian workers and it were found that they agreed that we are fighting for anything like that in the present war.

Again, the fair wage clauses in the contracts—that is, if they contain fair wage clauses—are not lived up to, and we find that wages and working conditions which the workers have laboriously built up over the years are going by the board, without any reason whatsoever being given.

I have here a letter from an old trade union organization, possibly one of the oldest in Canada, a local of the United Brotherhood of Carpenters and Joiners, Vancouver. They call attention to a contract whereunder the government is furnishing assistance to the West Coast Woollen Mills Limited, for the building of an addition to the plant of this company. The contract amounts to $21,000, and the building is being erected by non-union men, working for a contractor who refuses to recognize trade unions. This is what they say, in part, in connection with this work:

> We have been assured very often since the commencement of the war, that the conditions and wages established by the trades unions would be guarded and respected, yet firms such as the above can get contracts, proceed to erect and extend their factories, and totally disregard the conditions and wages established by agreement and recognized by the government in the dominion Fair Wages and Hours Act.

I have received to-day a letter from another trade union in Vancouver, complaining about the same sort of thing. I have also a number of complaints regarding the operations of order in council P.C. 7440. Most of these complaints deal with the delays in getting a board after application is made. I believe section 20, the Industrial Disputes Investigation Act requires that immediately the second party to a dispute receives a copy of the application made for a board, they must "without delay"—that is the wording of the act—prepare their reply. As far as I know there has never been a definition of that phrase "without delay", but I believe it is generally accepted that the reply must be made within fifteen days. I have a case under my hand where a board was applied for by some of the employees of the National Steel Car Corporation, Hamilton, on February 3. The Department of Labour has, I understand, been continually considering this application, and no word has yet been received by the department from the National Steel Car Corporation.

Mr. McLARTY: Mr. Chairman, I do not want to interrupt the hon. member, but his statement of the facts is entirely wrong.

[Mr. MacInnis.]

Mr. MacINNIS: Very well; I will read a copy of a telegram which was sent to my hon. friend last Saturday, and if I am wrong, then there must be something wrong with the telegram. I am reading from a copy of a night letter to the minister from Mr. Millard, March 8:

> Am advised by Representative Dalrymple that management National Steel Car Corporation at Hamilton now refuses to allow Mr. J. S. McCullagh, representative of your department, to conduct ballot which was arranged to meet company objection to establishment of conciliation board. This arbitrary and irresponsible action by Mr. Hart removes last possible objection to your announcement of board constitution. Urge you act without further delay. Please advise.

Mr. McLARTY: Again may I say that Mr. Millard's information—he was not there—is inaccurate. The machinery to take the vote was not set up in sufficient time to take the vote on Saturday. It was not a refusal.

Mr. MacINNIS: I have this information in Mr. Millard's own words. We will go step by step over the proceedings which were taken since the application was made on February 3. On February 3 the dominion Department of Labour received the request. On February 14, eleven days after the application had been received, Mr. Ainsborough, of the Toronto branch of the department, visited Hamilton. He made no attempt to meet the workers or the union representatives, but he went to the plant and was refused an appointment by, I believe, Mr. Hart. I understand that the Department of Labour, after waiting fifteen days, can appoint the board without regard to the attitude of a company. But on February 19, sixteen days afterwards, no reply had been received from the Department of Labour, and the employees at that plant supposed that the board would be appointed.

A few days afterwards Mr. Howard Chase, of the labour relations branch of the Department of Munitions and Supply, went to Hamilton. The union was assured that when he went there he would have with him a copy of the company's reply, but when he reached Hamilton and met the employees he had no copy of the reply. On March 1, in a letter to Mr. Millard, Mr. Brown, the assistant deputy minister, stated that Hart, that is, the manager of the National Steel Car Corporation plant, had been given until March 3 to return an answer. Mr. Millard said that Brown indicated that he could see no reason why a board should not be appointed. Now, March 3 was exactly one month after the original application had been made. On March 7, Mr. McCullagh, also from the Department of

Labour, arrived in Hamilton, and an attempt was made to take the vote at the plant. The management refused to allow the vote to be taken. Following that—

Mr. McLARTY: That is not correct. The management did not refuse. The machinery for taking the vote could not be set up in time to take it on Saturday.

Mr. MacINNIS: Well, according to my information, he was there at eleven o'clock in the morning.

Mr. McLARTY: Yes, but they had to prepare the lists.

Mr. MacINNIS: They had to get the lists, but Mr. Hart was insisting on the lists of the employees who had come into the plant since February 3.

Mr. McLARTY: Yes, there was some dispute about that.

Mr. MacINNIS: Of course there was some dispute. A dispute had been going on since February 3, but the Minister of Labour did not do anything about it. As a matter of fact I advised the minister as long ago as, I believe, last July, to be master in his own house. The trouble is that the Minister of Labour cannot settle any labour dispute without asking the Minister of Munitions and Supply what to do.

Mr. McLARTY: That is not correct, Mr. Chairman. I do not believe that on one single occasion I have asked the Minister of Munitions and Supply to settle a dispute—not on one occasion.

Mr. MacINNIS: I am convinced that the labour question cannot possibly be satisfactorily settled until the government takes into its confidence and consults at every step the representatives of organized labour; and organized labour has been asking for this ever since the war began. I have here the *Canadian Congress Journal,* the official organ of the Trades and Labour Congress of Canada, for February, in which the following statement appears in an editorial:

> Organized labour would like to see the government give a little more tangible evidence that it believes that labour is entitled to be treated as an equal partner in industry. The Prime Minister has demonstrated both in his writings and public statements, and by pre-war practice, that he personally supports this principle, and it therefore makes it all the more difficult to understand why, during the past year and a half, practically no effect has been given to it.
>
> In the framing of the Unemployment Insurance Act, labour representation both on the commission and the advisory committees to be appointed by the commission is provided for, as it was in the previous measure of 1935. It is also true that a halting step has been taken to give labour some place in the war effort by the establishment of the national labour supply council.

Mr. McLARTY: But my hon. friend knows it is not a halting step. Labour has fifty per cent representation.

Mr. MacINNIS: Yes, but what is the use of a board if there is never consultation? I will give the minister another indication of the way in which the labour supply council is consulted. In any case, these are not my words. This is what has been said by the oldest and largest central labour organization in Canada:

> Labour has also been invited to give its services in the work of the national war charities funds advisory board, a request which has been gladly complied with. It is also equally true, however, that in no case where labour's particular interests are involved, such as in the management of the twenty-eight or more government financed and owned companies set up for war production, on the committee established to advise the director of ship construction and repairs, or on any of the numerous control boards, has labour been given any recognition whatever.
>
> The weakness of the national labour supply council is that it has not been allowed to function as a planning body, but instead merely called upon to give an advisory opinion, many times at extremely short notice, on measures already prepared by others. To be of real use, workers representatives should be placed in a position where they can contribute from their experience toward the shaping of policies and not be called into consultation only after the course of action had been decided upon.

I am not saying that. The editor of the journal, with the approval of the president of the largest labour organization in Canada, is saying it. I have the memorandum submitted to the dominion government by the Canadian Congress of Labour on February 14, 1941. The Canadian congress has this to say:

> The congress believes, however, that a greater willingness on the part of the government to consult and cooperate with bona fide labour organizations, in all matters of primary concern to the workers, is imperative, in the interests not only of the workers but the people of Canada. While representatives of the organized workers have been appointed to the national labour supply council, the unemployment insurance commission, and the unemployment insurance advisory committee, there are a number of bodies dealing with various phases of the war effort on which labour is not represented, and this inevitably tends to make the workers feel that they are not being given the consideration to which, because of their importance in the field of production and distribution, they are justly entitled. The government is therefore urged to provide adequate representation of labour on existing boards or commissions and on any which may be established in future.

In the Montreal *Gazette* of March 8 there was a report of a board or advisory committee or something of that kind being set up. I got into touch this morning with a representative of the national labour council and he told me he had never heard of it. I quote from the Montreal *Gazette* of March 8:

> Canada is being organized into industrial zones, each with a chairman and committee to work in conjunction with the munitions and supply department "to harness all possible industrial resources to war needs," munitions minister Howe announced to-night.

As I read further down the item I find that this committee, or whatever it is going to be, is carried on by the Canadian Manufacturers' Association and the Canadian Chamber of Commerce with "the approval and support of the Department of Munitions and Supply." I quote further:

> In addition, the Canadian Manufacturers' Association and the Canadian Chamber of Commerce will accompany the organization work with a national survey of industrial resources. This survey, to begin this week, will be conducted by a war production committee under joint chairman, L. L. Lang of Kitchener, Ont., and J. D. Johnson of Montreal. Mr. Lang is first vice-president of the C.M.A. and Mr. Johnson is vice-chairman of the executive committee of the C.C.C.
>
> The survey will provide information on labour available, machine tools and other equipment in existing plants.

The national labour supply council was not considered. The member to whom I spoke did not know that such a thing had been contemplated; yet the important factor in a survey of industrial resources is labour. What those who are carrying on this kind of work think of the position of labour is clearly indicated in the phrase, "will provide information on labour available, machine tools and other equipment". Evidently they do not think that labour should have any more place on a committee of this kind than "machine tools and other equipment." Let me tell my hon. friends that this is not the way to build the new social order which the Prime Minister referred to at the time of the ill-fated conference which met in Ottawa on January 14. We shall have to have more cooperation with those who are doing the real work in this war effort, both from the government and from employers, than we have had in the past. Otherwise we are simply riding into trouble.

Mr. GREEN: I have no desire to interrupt this discussion on labour questions, but I understand that the minister is not replying at the moment; therefore I am making bold to bring up another subject. This debate jumps so frequently from one subject to another that it is difficult to keep the questioning in order. Last week the Minister of Munitions and Supply suggested that the opposition should ask him questions rather than make speeches. I wish to ask him one to-day. It is a question which affects also the Minister of National Defence for Naval Services; perhaps it is more a suggestion than a question.

At this moment nothing is of greater importance in Canada's war effort than shipbuilding. It is of the greatest importance that the government should adopt and announce without further delay a policy with regard to merchant shipping. Perhaps they have that policy ready, perhaps not, but I suggest there should be no further delay in adopting and announcing such a policy. I understand that in Canada we have placed contracts for twenty merchant ships—the minister will correct me if I am wrong—all of them to be built for Great Britain; none to be built for Canada. I understand that none of the twenty keels has been laid.

I doubt whether any hon. member will dispute the importance of shipbuilding. The minister himself clearly indicated the emphasis which he placed upon it when on his return from Great Britain he said in Washington on January 25:

> The most important development immediately will be a decided emphasis on merchant ship production and the building of bombing aeroplanes. In one instance we are building transportation and in the other producing machines that can carry themselves over the Atlantic to service. We hope to step up the capacity of all Canadian shipyards. This is one of the first things that must be done.

A month later Lord Beaverbrook made his appeal to Canada. He closed with these words:

> Gather together every kind of transport by sea, which will enable us to continue the defence of this island. Seek the whole world for ships; make our sea paths safe during the battle of Britain.

Yet in spite of that appeal no announcement has been made to the Canadian people as to what is to be done. Last week a famous United States-European correspondent, Mr. Percy J. Philip, of the New York *Times*, speaking in Ottawa, as reported in the Ottawa *Journal* of March 6, said:

> Mr. Philip deplored the failure of Canadian authorities to act quickly toward helping to fill Britain's marked need of more ships.
>
> "When I came to Canada I expected to see every shipyard and many new ones just bustling with activity building ships. I was mortified to find that such was not the case.

Mr. HOWE: Where did he say that?

Mr. GREEN: That is from a speech delivered in Ottawa at the Chateau Laurier on March 6.

Mr. HOWE: Are those Mr. Philip's exact words?

Mr. GREEN: It is in quotation marks in the newspaper report. I was not at the meeting.

Mr. HOWE: I do not think he said it at all.

Mr. GREEN: I cannot vouch for the accuracy of the report.

Mr. HOWE: I think the hon. member should vouch for the accuracy of a statement he quotes.

Mr. GREEN: To-day we find in the morning papers a report of a statement made by the Labour minister for Great Britain, Mr. Ernest Bevin. The report says:

The labour minister emphasized the importance of shipping in the war, and warned that the "decisive struggle in the Atlantic may soon begin."

Further on he said:

British troops must be supplied with food, and that means shipping.

In the United States there is great activity on both coasts in the shipyards. They have under way a huge shipbuilding programme. A press dispatch from Sydney, Australia, quoted in the Ottawa *Journal* of February 24 says:

It is learned the government intends building its own merchant ships which will be chartered to shipping companies for operation.

Then Mr. MacMillan, in the report which appeared in *Votes and Proceedings* of February 27, had this to say with regard to the building of ships:

(1) Volume of orders now placed does not exceed existing plant and management facilities. Technical problems all surmounted. Performance is good.

(2) Progress henceforth will depend upon: (a) Organization of expanded facilities which can be done.

And I repeat those words, "which can be done."

(b) Deliveries of plate and other ship components from U.S.A., or expanding plate production in Canada, which requires one year.

Mr. HOWE: I wish Mr. MacMillan would be a little more consistent, because I have a report on my desk from him to-day declaring that labour cannot be found to operate the shipyards to anything like capacity.

Mr. GREEN: He goes on:

(c) Deliveries from U.S.A. of machine tools for expanded programme involved in 18 cargo vessels already ordered and other orders that might be placed.

(d) Finding trained personnel without interfering with ship repair plants necessary to prevent delays to naval and merchant vessels now operating in Atlantic.

Mr. HOWE: That last sentence is the whole thing.

Mr. GREEN: It is impossible to emphasize too strongly what shipping and the shipbuilding industry mean to Canada. We have a great export trade which before the war was practically all carried in ships belonging to other nations. We had practically no merchant fleet. Adequate ocean shipping facilities would be of the greatest importance also in carrying freight between the east and west coasts. For some years before the war a steamship line ran a ship a month to the east and west coasts via the Panama canal, but this service was discontinued when the war broke out, with the result that freight rates have been raised by the railways and a situation has developed which to say the least is very unfair to the provinces on either coast. I suggest to the minister that if we entered into a really large shipbuilding programme, making not only the hulls but also the engines and boilers and auxiliary equipment, on either coast—wherever it may be decided to build the ships—there is no reason why we could not build up a great shipbuilding industry for Canada in the maritime provinces and British Columbia for the years after the war.

So far as British Columbia at any rate is concerned I am assured that there is no shortage of ship workers; many of them in that province are out of work. For instance, I received to-day the Vancouver *Sun* containing a press dispatch of March 5 from New Westminster which says that the deputy minister of trade and industry for British Columbia told representatives of the metal trades industry there that there were two thousand skilled mechanics unemployed in British Columbia. He is reported as saying:

. . . the provincial government has completed a confidential survey of skilled workers in the province which showed that two thousand skilled mechanics are out of work.

He added that the provincial government is forwarding the information to Ottawa to-day.

Mr. MACDONALD (Kingston City): Were there some shipwrights in that number?

Mr. GREEN: Yes, I understand there is no scarcity of shipbuilders on the Pacific coast.

Mr. HOWE: Will my hon. friend take an order for a thousand of them to-day? I can place a thousand shipyard workers at once.

Mr. GREEN: That is not my business. It is up to the minister to talk to the people concerned.

Mr. HOWE: The hon. member is talking very loosely.

Mr. HANSON (York-Sunbury): What is the good of making a statement like that?

Mr. HOWE: What is the good of making a reckless statement?

Mr. HANSON (York-Sunbury): The hon. member is asking the minister to declare a policy. He says that according to a statement made by a member of the government of his own province, there are skilled workers in British Columbia who are idle. The minister comes back and tries to browbeat the hon. member by asking whether he will take an order for a thousand men. That is not worthy of the minister.

Mr. GREEN: May I say, Mr. Chairman, that neither this minister nor any other one can browbeat me. I should like to see him try it. I have before me a dispatch which appeared in the Vancouver *Province* of February 19, 1941, as follows:

A survey recently made by employment services in Vancouver showed that there are at least 1,000 skilled men in British Columbia available for employment in shipyards; that if the labour supply is diluted to include unskilled craftsmen the number of men ready to take shipyard jobs is almost unlimited.

Now I have a word for the Minister of National Defence for Naval Affairs, who gave us a very hopeful and promising—and perhaps optimistic—statement when he spoke in the house on November 19 last. This is what he said, as reported at page 207 of *Hansard:*

But, Mr. Speaker, we intend to go further. It is our hope that in the Canadian yards we shall be able to build destroyers and perhaps cruisers as well. The building of these craft requires a high degree of skill; they have never before been built in this country. In the early stages of this development we shall require the assistance of skilled men from admiralty dockyards or from private yards in Britain, and we have asked for that assistance.

That was the last the house or the Canadian people heard about this proposal to build destroyers and possibly cruisers. I suggest that the time has now come when the minister should tell us all about it; whether this is another case of the wish being father to the thought, or whether we are in a position to commence building these warships in Canada. I think we must face the fact that it will be impossible for us to have destroyers built in Great Britain at least during the war and probably after the war. We cannot get started too soon on a policy of building our own destroyers and perhaps our own cruisers. It may be that steps in this direction have been taken, but I think the minister should let us know without further delay.

Summing up my question—or suggestion, whatever it may be called—I think the government should set an objective that will arouse the enthusiasm of the Canadian people in connection with this matter of shipbuilding. Let us go all out on this question. Perhaps the government have an objective now. I suggest that no matter what that objective may be, the government should give consideration to doubling it, because at this time we cannot build too many ships in Canada.

Mr. HOWE: Perhaps I should reply to the hon. member. It sounds so easy to say we should expand our shipbuilding indefinitely, as the hon. member states, but we have done a very considerable job of expanding shipbuilding up to this time. At the beginning of the war one of the first things we did was to fill every shipyard with work to its capacity. It has taken us a great deal of time to build up the shipbuilding organization we have to-day. We started with less than 1,500 men employed in our shipyards. We have been able to bring that figure up to about 20,000 men, and we hope to expand it still further. But to-day, while I do not know about the west coast, I do know about eastern Canada, and I know that every shipyard could use more skilled men if it could get them. The situation is particularly acute in Halifax and Saint John. We have been trying to get the Saint John shipyard on a twenty-four hour basis since the beginning of the war, but we have not been able even to approach that objective. The same is true in Halifax; we are working on short time there. That is the bottleneck of the shipbuilding industry. I could follow the suggestion of my hon. friend, go out to British Columbia and start three or four more shipyards; I know there are promoters ready and anxious to sell stock to the public, in fact are just waiting for that very opportunity, but it would only mean a drain of employees from existing shipyards.

Our shipyards are doing a good job and we have ample work in sight to take care of them for a very long period. If it is considered to the advantage of any existing yard to have a further contract, we are in a position to place that contract. At this very time our director of shipbuilding is on the Pacific coast, where he will explore every proposal we have had for additional shipyard

capacity, in order to determine whether or not in fact we can step up our production of ships by starting additional yards there. I was particularly warned in England about the folly of doing that if it would mean a drain of skilled workmen from other yards. I was told that from their experience it was not wise to start a new yard if the trained personnel had to come from other yards. They expressed the opinion that any yard in Britain could do more work if it had more skilled men, and that unless and until they were sure they had the trained personnel with which to start additional yards, it was not their intention to start them.

I do not think there is a shipyard in Canada, large or small, that has not been offered all the work it can do. The work each yard has taken has depended a good deal on the courage of the operators. We have had some small yards that did not wish to take more than one boat at a time. They wished to take one and finish it before taking a second. We have had others willing to take almost an unlimited number of orders, but there again we see no purpose in placing orders ahead of the time when the yards can actually transform those orders into something more than sheets of paper. In other words, if it is possible to order steel ahead, if it is good business to order steel ahead, they can go ahead and do it. If it is possible to lay a keel, that keel is laid; but, as I say, we are trying to develop more shipbuilders here, more skilled men. Steel ships are not things that can be built by men without experience. Shipbuilding is probably one of the most highly skilled businesses we have on hand here at the present time. We are working as hard as we can to develop shipbuilders; we intend to continue doing so, and if the number of shipbuilders available warrants starting additional yards, my hon. friend can be sure that it is our intention to do so.

A word as to the question of destroyers. We have not been idle in this matter. I may tell my hon. friend that we have now obtained our detail sheets; our plate specifications are here, and our plate sizes are here. We have explored the equipment market, and we know exactly where to place orders for equipment. We have been able to obtain a few experienced men from England; the British government was reluctant to spare them but they are on their way here now. We are pushing along the destroyer programme just as quickly as we possibly can, but these things have to be taken up in an orderly way. It would be quite possible to disorganize this whole industry. We could do that; we could encourage everyone to start yards, but we would reach the position where we would be simply churning labour around and building nothing. We are very actively engaged in stepping up the shipbuilding industry of Canada, and just as rapidly as we can step up the ability to construct we will start new projects to be constructed.

Mr. GREEN: Is it not possible to have merchant ships fabricated in the steel construction plants and then assembled by shipbuilding companies? I understand there have been discussions as to whether or not that could be done. If it could, it would mean that it would be possible to construct many more ships. Then the minister did not say whether Canada is to have merchant ships built for her own account. Are they all to be for Breat Britain, or is Canada to have merchant ships built for herself as well?

Mr. HOWE: Well, Mr. Chairman, I think the fact that will interest the committee is that we are going to build all the ships we can. Whoever owns them, they are engaged in the same sort of traffic.

Mr. GREEN: It makes a difference who is going to own them after the war.

Mr. HOWE: We owned a good many after the last war, and I took a hand in liquidating a few of them.

Mr. HANSON (York-Sunbury): Too bad you haven't got them now.

Mr. HOWE: Too bad?

Mr. HANSON (York-Sunbury): Yes.

Mr. HOWE: I think it is a grand thing we haven't got them now.

Mr. HANSON (York-Sunbury): All right; we will agree to differ about it.

Mr. GREEN: What about the other point?

Mr. HOWE: That is what we are exploring at the moment. My hon. friend must remember that not only the hull but the machinery and all other components of the ship must be arranged for. We build these ships complete in Canada. As I say, if it is possible to build them faster than we are building them, we hope to have that information in a week or two, and we will take steps accordingly. My reason for making that statement about ships built in the last war is that those ships have a very small carrying capacity. It has never been found possible to operate them with an even break in expenses. Whether or not it could be done now, under present abnormally high charter prices, I do

not know. But I doubt very much whether they would be profitable, even under the present price condition.

Mr. GREEN: Has the government adopted the policy of having engines, boilers and other auxiliary equipment built in the district in which the ship is being built? Is it not possible to adopt a policy of that kind?

Mr. HOWE: We have done everything we can to follow that policy. The reason it is not always followed out is that the shipbuilders themselves believe it is better business to have the equipment built in another part of Canada. I may say that we tried to do a good deal for Vancouver by paying them a considerably higher price for ships than the price at which we would have built them in eastern Canada. In spite of that fact, much of the equipment and machinery for those ships was ordered by the people in Vancouver from eastern Canada and was shipped out to Vancouver.

Mr. GREEN: Of course if they would pay decent wages in eastern Canada the costs would be more nearly equal.

Mr. ROSS (Calgary East): Mr. Chairman, the object of the motion before the committee is to raise money for our war effort. That money will have to be raised by taxation or by borrowing. Many members of the house and many persons throughout the country are saying that our financial system is all wrong. They point to Germany, and they suggest that if we would finance the way Germany is financing we would get along without taxation and without borrowing, or at least with a great deal less taxation and a great deal less borrowing.

The leader of the Social Credit group in the house has said that if we financed in the Social Credit way we could do so "without additional debt; without additional taxation." The leader of the Cooperative Commonwealth Federation made a speech in which he said:

> The allies have money, but failed to produce the goods; the Germans had no money, but did produce them.

He added "we ought to pay some attention to methods other than those we have been using to finance our war effort."

Mr. COLDWELL: May I correct the hon. member? I did not say that. I was quoting Dorothy Thompson.

Mr. ROSS (Calgary East): The hon. member quoted it with approval, and commented favourably upon it.

Mr. COLDWELL: I did, but I want to have the record straight, that is all.

[Mr. Howe.]

Mr. ROSS (Calgary East): And the hon. members sitting behind the leader of that group approved what had been said.

Mr. COLDWELL: That is right.

Mr. BRADETTE: The secretary of the All-Canadian Congress of Labour.

Mr. ROSS (Calgary East): It met with the unanimous approval of the members of the Cooperative Commonwealth Federation. So that they, too, see magic in German finance.

Mr. COLDWELL: No.

Mr. BLACKMORE: By his observations the hon. member implies that the Social Credit group have defended the financial methods of Germany. That is absolutely wrong. At no time has this group advocated German methods.

Mr. ROSS (Calgary East): I am glad that they are seeing saner methods of financing than they have been advocating in the past.

Mr. BLACKMORE: Mr. Chairman, the hon. member is imputing to us things he has no right to impute. At no time has the Social Credit group advocated Germany's methods of financing. Now, will my hon. friend get that into his head and keep it there?

Mr. ROSS (Calgary East): They have been looking to Germany as if Germany had a magic way of financing. Hon. members in the house have referred to it, and Social Credit speakers in the country have also referred to Germany's method of financing.

Social Credit's latest recruit, Premier Hepburn of Ontario, is telling the people of that province that Germany is financing with "rubber money." He apparently envies the accomplishments of Hitler in seizing great slices of Europe," and credits that success to rubber money financing. "With rubber money, Hitler built an army and seized control of nine capitals of Europe," Mr. Hepburn is reported to have said. And we have other funny money theorists throughout Canada, each with a theory of his own. What is there about German financing that appeals to these people? I have read a number of books and magazine articles and newspaper clippings on German financing. The writers are all pretty well agreed as to Germany's method of financing. Let us consider it for a few moments, but before doing so I should like to picture the background, so that their method of financing may appear in its proper setting.

After the great war Germany issued money so freely that inflation set in. Money became very cheap, and prices of goods very high.

The disparity between the two eventually became so great that it took 4,200,000,000 marks at their official value to buy goods to the value of a single mark. In the year 1924 the old currency was discarded and new currency was set up in Germany. Savings accounts created prior to 1924 were practically wiped out by the inflation. All domestic debts and all debts payable in German currency that matured prior to the introduction of the new currency were practically wiped out. Contracts expressed in the old currency were extinguished. Debts payable in gold or foreign currency as well as unmatured debts payable in German currency were greatly compromised.

Mr. QUELCH: What is the hon. member quoting from?

Mr. ROSS (Calgary East): So that in 1924 Germany had a fresh start, almost completely free of debt.

Mr. QUELCH: What is the hon. member quoting from? Evidently he is quoting from some authority?

Mr. ROSS (Calgary East): I am making my own speech.

Mr. BRADETTE: That is something you cannot do.

Mr. ROSS (Calgary East): Germany was not overrun during the first great war. Her factories were not damaged; her industry remained intact. Other warring nations had to rebuild much that was destroyed in their countries by the war. Such was not the case in Germany. Her economic activity had been in a measure suspended during the war. After the war she was permitted to carry on as before.

Germany's present military and industrial power is in considerable measure due to the huge loans made to her, largely by the United States, and to some extent by Great Britain, after she stabilized her currency in 1924. Industries proceeded to incur new debts, and to equip their old plants and build new ones with most modern and up-to-date machinery. These borrowings amounted to almost three times the reparation payments Germany was making during the period of prosperity which followed the introduction of the new currency.

Mr. NICHOLSON: Exception has been taken to the reading of speeches. I wonder if this ruling applies to the hon. member who has the floor?

Mr. BRADETTE: The hon. member for Vancouver South read his speech.

Mr. ROSS (Calgary East): The great depression of 1929 struck Germany very hard. Unemployment became severe, more severe in proportion to population than in any other European country. The standard of living was reduced to extremely low levels. The standard of morals was lower still. During the course of the depression Germany obtained the benefit of the "Hoover moratorium" on United States and other foreign loans to Germany. When Hitler came into power Germany declared a moratorium on all foreign debts. This enabled her to buy greatly depreciated German bonds at a few cents on the dollar.

On obtaining power on January 30, 1933, Hitler set out to mobilize the military and economic resources of the reich for the purpose of waging war. He developed an organization designed to produce as quickly as possible all that the German people could possibly produce. All this had to be financed. Thorough and far-sighted rearmament is of crucial importance in preparing for a mechanized war. Plans should be laid and the building well under way years before they are used. This has been recognized by all countries in respect of navies which have always been mechanized forces. No country waits until the outbreak of war to build its navy. They build it years before it is needed so as to be ready when war breaks out. The nazis extended this principle to their air and land forces.

With the advent of Hitler, Germany began her rearmament on the basis of a small army of 100,000 men allowed her by the Versailles treaty. Secret rearmament was under way in 1934. It became open and acknowledged in 1935 and began to hit its stride at that time. Flying clubs were formed throughout the country and she became active in building up her air force. At the same time she commenced to mechanize her army for the second world war, so that Germany has, in effect, been on a war economy since 1935 when rearmament got under way on a large scale. Hitler was also preparing for war by striving to make Germany independent of supplies which might be cut off by enemy activity. In other words, he was striving to make Germany blockade-proof in case of war.

The intensity of the depression created economic conditions for rearmament unparalleled in normal times. When the nazis came to power they found production machinery largely idle and 7,000,000 to 9,000,000 workers unemployed. In the following years it was possible to increase armaments rapidly be-

cause idle plants and idle men were available in large numbers. As the reich credit society declared in its report for 1936:

> Whereas four years ago there were huge reserves of capacity lying idle in the fields of production and investment, to-day the productive possibilities of many industries are not only being utilized to the full, but there is an urgent need for the construction of big new plants.

Hitler regimented agriculture, manufacturing and labour on a national scale. He controlled raw materials and production; he fixed wages and prices; he placed Germany's whole national economy under the direction of military officers whose commands were and are enforced by fines, imprisonment and firing squads. According to an article by Peter F. Drucker in a recent issue of the *Saturday Evening Post,* there are "2,000,000 persons engaged full time in controlling the economic activities of other persons" in Germany.

As to agriculture, in 1934 elaborate marketing boards were set up. These boards undertook to make Germany self-supporting in agricultural products so that she would not have to import products of the farm. They fixed prices on all agricultural products; compulsorily reduced principal and interest rates on farm mortgages; reduced taxes on farms; compelled farmers to sell their products at fixed prices; required farmers to farm in an efficient manner (if a farmer failed to do so they took his farm from him and gave it to someone else who would work it efficiently); required a farmer to pass his farm on to his eldest son or other heir. As a consequence, a farmer could not sell his farm or mortgage it to raise money to buy up-to-date machinery. Restrictions were also placed on farm labourers getting work in towns. Labourers were taken from towns and forced to work on farms for little or no wages.

The nazi farm programme has not been a success. There is not a plentiful supply of bread. There is a shortage of butter, eggs, cheese, meat, milk and fat products. They had to kill off much of their breeding stock because they lacked feed for it. In the subdued countries Germany confiscated large fodder supplies and shipped them to Germany. Holland and Denmark always import quantities of fodder for their live stock. Owing to the looting by Germany and to imports of fodder being cut off by the blockade, Holland and Denmark were short of fodder and had to slaughter the greater part of their dairy herds. Germany then confiscated the carcases. Some of the smaller countries which have since been overrun anticipated a long war in which they had hoped to remain neutral. They built up reserves of food. The Dutch built up reserves to last them for four years. The Germans swiftly confiscated and used up these reserve stocks. As a result of Germany's looting, there is a real lack of farm products in the German-controlled countries.

As to industrial control, only those things are produced which the government thinks are necessary and in the quantities deemed necessary. Prices are frozen at the 1936 level. Dividends are limited at from 6 to 8 per cent. Dividends in excess of the authorized limit must be deposited in the reichbank where the funds are held for the account of the shareholders. The funds cannot be withdrawn by the owner but are invested for him in government securities or otherwise under government direction.

The cost of government control and the salaries of the staff required in setting it up and carrying it out are paid by the industry itself. The cost hits small businesses much harder comparatively than it does large businesses. Many small businesses are thus being ruined. Large business, too, has been ruthlessly dealt with. Germany's largest steel enterprise was confiscated by the government and reorganized into the Hermann Goering works. The reason given for confiscating it was that August Thyssen, head of the enterprise, was not cooperating satisfactorily with the nazis. In the countries overrun by Germany she forced the banks to give their money in exchange for reichmarks at a price fixed by the Germans. She is now taking over control of their banks and manufacturing plants.

At a nazi congress held on September 9, 1936, Hitler announced a four-year plan designed, in these words:

> In four years to make Germany wholly independent of other countries in all those materials which German capacity, our chemistry, our machine industry, and our mining industry, can produce at home.

Her ambition was to be blockade-proof in case of war.

Germany proceeded to build up new industries by the creation of synthetic ersatz. Without Lorraine, she had to import 84 per cent of her iron ore; as a result of experiments carried out under the four-year plan, a great expansion of production was provided from poor domestic ores. She built up synthetic oil plants, distilling oil from coal; at the commencement of the war more than 50 per cent of her liquid fuel demands were produced from coal. Her leaders say she is now producing 5,000,000 tons of synthetic gasoline a year. This is probably an exaggeration. She

is believed to be producing a little more than one-half this amount. These plants are favourite targets of British bombers. From coal and lime she produces sufficient synthetic rubber known as "buna" to supply more than one-third of the needs of the army. She produces textiles on a large scale from lumber, straw and other plants as well as from coal, lime, glass and fish. These and other ersatz enterprises were financed in many instances by their competitors in existing industries.

With regard to labour control the economic life in Germany is severely controlled. By reason of this control the nazis are able to carry out effectively, but ruthlessly, their agricultural and rearmament programmes, the four-year plan and the war itself. This control involves the loss of individual freedom and initiative to an extent as great as, if not greater than, that involved in soviet Russia, even though Germany retains the formal capitalistic organization.

Mr. GILLIS: May I ask the hon. member a question? I did not follow that document. He said something just now with relation to labour control. Is what he is giving us a description of labour control in Germany, or in Canada?

Mr. ROSS (Calgary East): In Germany.

One of the first major actions of the nazis on gaining power was to destroy completely the trade unions and all they stood for. At that time the trade unions were very strong in Germany. Their funds were confiscated; their leaders were killed, imprisoned or driven into exile, and the organizations destroyed.

The unions were replaced by the labour front, which is not a labour organization as we understand labour organizations in this country. The workers have no voice in labour matters. The labour front is a branch of government. Labour trustees appointed by the government are all-powerful officials dealing with labour matters. All workers must belong to the labour front and pay dues to it.

The average worker must pay 16 per cent of his wages for compulsory insurance in the labour front. The labour front also collects sufficient dues from the workers to pay the salaries of 16,000 instructors to train men for jobs requiring skilled workers. They also have to provide winter relief and other funds for the workers.

Wages of workers were reduced to and frozen below the low level of the lowest depression year, 1932, and increases are forbidden, subject only to minor adjustments. Dismissal of workers was prohibited in order to stabilize employment. Food rations have been reduced to the workers since the commencement of the war. German scientists say a man can do a full day's work on 70 per cent of the food which he consumes under normal conditions. Hence in Germany food is rationed and cut down to 70 per cent of the pre-war level.

The worker under nazi rule is not free to move from one district where there is a scarcity of labour to another where he thinks there is a chance to get better employment. He is not free to give up one job to accept another that will pay him better. An employer is liable to a penalty of $500 if he offers higher wages or otherwise attempts to attract a worker already employed; newspaper advertisements for skilled labour are banned. Hiring and firing are both to a large extent under the control of the government. All skilled workers are registered and are allocated to those jobs which the government deems most necessary.

By the spring of 1938 all employable persons in Germany were mobilized and put to work. Further labour was needed on the Siegfried line. Skilled craftsmen were needed in their factories. As soon as Poland was overrun, the Poles were driven like cattle into Germany and have since been forced to work like slaves. According to the London *Economist* there have been sent to forced labour in Germany more than 1,000,000 Poles, 100,000 Dutch and 80,000 Slovakians. Mr. John Wheeler-Bennett in an article in *New Europe* quoted in a recent editorial in the Winnipeg *Free Press,* says:

> German official figures place the number of workers conscripted from the enslaved areas for forced labour in German agriculture and industry at 950,000, including 340,000 from Poland, 160,000 from the low countries, 107,000 from Bohemia and Moravia, and 17,000 from Denmark. These figures are exclusive of prisoners of war, of whom nearly a million are employed, chiefly on the land, but some in activities directly contributing to the nazi war effort, and it was added, somewhat significantly, that a further million conscript workers would be required. According to reports from neutral sources the standards of living of those engaged in forced labour in Germany is so low that many cannot survive, without receiving additional food from home.

The people in the subdued countries are systematically starved in order to increase the surplus that Germany can wring from her conquests. These foreign helots in German factories and on German farms have been driven from their homes by the spectre of starvation. They must work for Germany or starve.

According to German economy, Germany is to be the industrial hub of Europe after the war. Positions which demand initiative and leadership will be reserved for Germans; the more menial tasks will be left to the lesser breeds.

The Winnipeg *Free Press* editorial to which I have already referred, further quotes from Mr. Wheeler-Bennett's article in *New Europe,* from a speech made by Walter Darre, Minister of Agriculture in the reich administration, to nazi officials last May, when a complete nazi triumph for nazi arms appeared to the Germans to be only a few weeks off. Here are Darre's words:

Before autumn sets in we shall be the absolute masters of two continents, with the exception of soviet Russia. It will then be our duty to organize economically the territories gained, which gradually will be included in the German area. We will introduce into our "living space" completely new methods. All soil and industrial property of inhabitants of non-German origin will be confiscated without exception and distributed primarily among the worthy members of the party and soldiers who were accorded honours for bravery in this war. Thus a new aristocracy of German masters (herrenvolk) will be created. This aristocracy will have slaves assigned to it, these slaves to be their property, and to consist of landless, non-German nationals. Please do not interpret the word "slaves" as a parable or as a rhetorical term: we actually have in mind a modern form of mediaeval slavery which we must and will introduce because we urgently need it in order to fulfil our great tasks. These slaves will by no means be denied the blessings of illiteracy; higher education will, in future, be reserved only for the German population of Europe. We have selected this form of slavery for several reasons. The most important reason is that we are abolishing the gold standard and replacing it by work. This work must be as cheap as possible in order that our economic conquest may spread extensively and rapidly. Our future generations must, even in peace time, be educated in such a manner that, in case of necessity, they may be fit to defend strongly and energetically what we acquired. Here too the form of slavery mentioned above will prove its worth. German masters, accustomed to command, and, in case of necessity, to strike inconsiderately where striking is necessary, will be fine pillars to uphold Germany's rule of the world.

From Mr. Wheeler-Bennett's comments on the text supplied by Doctor Darre, the *Free Press* quotes:

Here in the terse, direct phraseology of nazi rhetoric is the blueprint for that brave new world which Adolf Hitler plans to build upon the ashes and debris of European civilization. This is not the thought of a single man; it is the kind of doctrine currently discussed by the inner circles of the nazi party.

Last Wednesday's Lethbridge *Herald,* in an editorial, tells of the cruelties and indignities to be visited upon the British if Hitler wins. It quotes a nazi agent who writes:

As soon as we beat England we shall make an end of you English once and for all. Able-bodied men and women will be exported as slaves to the continent. The old and the weakly will be exterminated.

All men remaining in Britain as slaves will be sterilized. A million or two of the young women of the Nordic type will be segregated in a number of stud farms, where, with the assistance of picked German sires, they will during a period of ten or twelve years produce nearly annually a series of Nordic infants to be brought up in every way as Germans.

These infants will form the future population of Britain. They will be partially educated in Germany, and only those who fully satisfy nazi requirements will be allowed to return to Britain and take up permanent residence. The rest will be sterilized and sent to join the slave gangs in Germany. Thus in a generation or two the British will disappear.

The editor then makes this comment:

You may think that no nation would do such a thing as this—not even Germany. But remember it is actually being done in Poland to-day.

So we know what is in store for us, if Hitler wins the war.

At the end of 1940 the national debt of Germany was 79,000,000,000 reichsmarks. Germany has been spending on her war effort 5,000,000,000 reichsmarks a month, or 60,000,000,000 reichsmarks a year. According to a dispatch in this morning's Ottawa *Citizen,* nazi war spending for the current year will be 6,000,000,000 reichsmarks a month, or 72,000,000,000 reichsmarks for the year, compared with an annual income rate of 100,000,000,000 reichsmarks. Where is the money to come from? Germany is raising a very considerable part by taxation. In the year 1939 she raised by taxation 23,600,000,000 reichsmarks. During the present fiscal year ending 31 March, 1941, she expects to raise by taxation 30,000,000,000 reichsmarks.

In Germany, tax collections take about one-third of Germany's total national income, according to Mr. G. F. Towers, governor of the Bank of Canada, in his annual report to the finance minister tabled on February 11, 1941. He makes this statement:

In Canada, during the same period, dominion government revenues will be about one-sixth of total national income. In the United Kingdom the proportion will probably be something more than one-fifth. Including the levies of the states (or provinces) and local governments, the German people are paying in taxes at least one-third more, in relation to their income, than are the people of Canada. In addition to formal taxes, Germans have also to make substantial direct payments to their government in the form of party dues, winter relief fund donations, and other special "contributions" which are just as compulsory as taxes.

Apart from taxation, most of Germany's financing has been done by borrowing. Up to 1935, borrowing was mainly done by the issue of short-term bills. From 1935 to 1938, financing mainly took the form of long-term loans. Since then, they have been experimenting with short-term delivery certificates

and "tax certificates," but since the commencement of the war, almost entirely with five- and ten-year notes.

Everyone in Germany who has money is compelled to lend it to the government whether he wishes to or not. Most of the borrowing is done from the financial institutions. The borrowings are spoken of as loans, but they are really taxes, because nazi leaders openly admit that the loans will never be repaid.

To build up her war effort Germany has, by means of controls, greatly lessened consumption. Interest rates are much higher in Germany than in Canada. In 1933, the interest rate on high-class government securities was 6 and 7 per cent. It has been reduced from time to time so that the general rate now paid by the German government is 4 per cent. The reductions were made not by agreement with the creditors, but by government decree. Germany also adds to her treasury by levying on the Jews and other unfortunate minorities, and by looting the overrun countries and selling the loot.

According to an article by Frederick T. Birchall in yesterday's New York *Times*, speaking of Germany's finances:

> Every invaded country, whether it resisted or not, has been systematically ransacked for all that was valuable in it. Its stores of gold, its currency reserves, its arms and military equipment, the rolling stock of its railroads and a large part of its industrial plant have been removed to Germany.
>
> Working for reich
>
> By the hundreds of thousands, labourers and skilled workers have been sent to the reich to do Germany's work and leave her man-power free for military service. Hundreds of thousands more are working for Germany, producing military equipment and supplies, in their home factories. Unless they work for Germany they and their families cannot eat. It has been estimated that already nazism has enlisted 2,500,000 conscript labourers in the conquered countries, that they have contributed $1,275,000,000 to German national resources and are producing probably $400,000,000 worth of supplies annually for the war.
>
> Every occupied country pays an amount far in excess of actual cost for the maintenance of the German armies of occupation that hold it in subjection. The French are assessed 144,000,000,000 francs (about $2,800,000,000) annually for the German occupation. Norway pays $1,870,000,000, more than a third of her national income, to her military jailers. She is being bled white, but so are the other countries From the resources of all combined, Germany is paying a large part of the cost of her war. The nazis even make a source of profit. Fines are laid upon communities which show a tendency to resist domination. Only last week disorders in Amsterdam were punished by infliction of a fine of $8,000,000 against the city.
>
> Of all the conquered countries Poland is admittedly in the most wretched plight. A million Poles have died in concentration camps and prisons and of starvation and exposure outside them. Thousands have been deported to hard labour in Germany. Mass arrests and deportations take place constantly without apparent cause. Labour is compulsory for all, under pain of being sent to concentration camps, and all Poles without exception must surrender thirty per cent of their meagre wages under pretext of contributing to the "reconstruction of Poland".

Germany has also been forcing the smaller nations to deliver goods to her and is paying for them in reichsmarks. Germany issued Rm. 10,000,000,000 of "printed money" plus billions of special credit bills and IOUs to finance in conquered countries. These reichsmarks and IOUs are offered for sale in the stock markets of the world, but they are almost worthless. A person cannot legally buy reichsmarks abroad and take them into Germany and use them there. These are the only novel financial methods carried out in Germany.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I must remind the hon. member that he has spoken for forty minutes.

Mr. BROOKS: I wish to associate myself with the remarks made a short time ago by the hon. member for Vancouver South, (Mr. Green) with reference to shipbuilding. At the outset I may say that if the minister should ask me to produce one thousand ships, or one ship, I should not be able to do so, or to tell him where to get them. I also recall that over a year ago when the matter of tanks was being discussed, the minister told us that it was practically impossible to manufacture tanks in Canada. But we are now told tanks are being produced in Canada.

An hon. MEMBER: We hope so.

Mr. BROOKS: And I believe they are being produced in substantial numbers.

Mr. HOWE: This is the first time I have ever heard anyone on that side admit it.

Mr. HANSON (York-Sunbury): Is it true?

Mr. BROOKS: We have been told by the government that it is so, and I am not doubting their word for the present. But the minister tells us that with regard to ships we cannot do any better than we are doing at the present time. I have no data upon which to contradict that statement. The minister tells us there are no further shipbuilding experts to be obtained in Canada. But we all know that in all our war effort, whether in the building of aircraft, the manufacture of munitions or even the training of our men, there were not sufficient experts at the beginning of the war; these experts had to be developed. No doubt it

takes time to do this; but the war has been going on now for eighteen months, and if we made any criticism at all I think one criticism we can make would be that this work should have been started eighteen months ago. I am satisfied that if a definite shipbuilding plan had been commenced at that time, we should now have in Canada more experts, more shipyards and we should be launching more ships at this time when they are so urgently needed.

Mr. HOWE: May I remind the hon. member that we started a programme eighteen months ago and have turned out a considerable number of large ships up to this time.

Mr. BROOKS: Well, they sink fifty and sixty a month, so one hundred is not a very large number in comparison with the need. One hundred ships now would certainly be much better than five hundred or a thousand when the war is over. Ships are as important as food and guns. We all realize this. Under the terms of the United States lease-lend bill which has just been passed, this principle has been recognized. The hon. member who spoke a few minutes ago mentioned Lord Beaverbrook's appeal. Lord Beaverbrook stressed this in a broadcast to the empire a few days ago. He said that we in Canada should procure ships wherever they can be obtained.

What policy the government has in this matter I do not know, but I presume every effort is being made by them at the present time to procure ships. Where these ships can be built is the problem of the Minister of Munitions and Supply. It is also the great concern of the Canadian people and the people of the British empire. The minister has told us on different occasions that with regard to production he is interested only in results and proposes to obtain supplies where they can be obtained most readily. I have no quarrel with that statement of the minister. But in carrying it out I would ask that he make no mistakes and that he use his very best judgment as to where these supplies should be obtained.

We in the maritime provinces feel that the minister and his department have more or less overlooked us. I contend that more ships should be built in the maritime provinces and particularly in my own province of New Brunswick. I have not heard the minister say whether wooden ships are suitable for use. I have seen comment in the press and heard statements that wooden ships would be useful and should be produced. If that is the fact, I point out to the minister that the maritime provinces are the logical place in which to build wooden ships as well as steel ships. It is not necessary for me to say here that at one time the maritime provinces were the largest producers of ships in the world. I am told that some years ago 57 per cent of the ships of British registry sailing out of Liverpool had been built on the bay of Fundy between Nova Scotia and New Brunswick. I also remember that during the last war many ships were built on the bay of Fundy and other sections of the maritimes. We have a tradition and background of shipbuilding; we are a maritime people, and if any industry is suitable for the maritime provinces, surely the shipbuilding industry is the outstanding one.

The minister spoke about building ships in the city of Saint John. I know they have been built there and that, as the minister stated, they are trying to extend their facilities in order to do more.

Mr. HOWE: Trying to get some men.

Mr. BROOKS: Well, there are lots of men in the maritime provinces, and I am not satisfied that the minister's statement that men cannot be got to build ships is accurate.

Another advantage in building ships in the maritime provinces, as well as on the Pacific coast, is that we are not icebound for five or six months of the year. If a ship is built on the great lakes or the St. Lawrence early in the winter, it is held up there until the spring. A ship built in the maritime provinces or British Columbia is already on the seaboard. There are also other advantages which might be mentioned.

Then there is the matter of financial assistance, which is a sore point in the maritime provinces at the present time. I should like to call attention to the treatment we have received in New Brunswick, and I refer to page 923 of *Hansard*, where there is a digest of Canadian and British capital assistance to industry, including some 220 items, with a capital expenditure of some $307,000,000. Of the 220 plants throughout Canada which have received assistance, only one is in New Brunswick. That is in the town of Campbellton, and the amount involved is less than $200,000. We have not been fairly treated in this regard, and I think it is time that at least some consideration should be given our part of Canada. I do not think one plant in Prince Edward Island has received any assistance, although I believe it has been given help in other ways. In this connection I should like to refer to an article which appeared recently in the New Glasgow *Evening News*. This article speaks of the assistance given to industry in other parts of Canada, and says:

But by and large, the maritimes are producing nothing.

That, of course, is an exaggeration; but their production does not compare with that of other parts of Canada.

That in spite of the fact that Ottawa on behalf of the Canadian and British governments, has authorized the construction of far more than 100 new plants.

It is more than two hundred.

This is a tremendous development, costing many hundreds of millions of dollars. But its net result when the war is over will be only to increase the industrial disparity of the rest of Canada and the maritimes.

That is a true statement.

Yet we do our share of supporting war loans (better than other sections), Red Cross and other drives, as well as all types of recruiting.

Mr. HOWE: Is my hon. friend not aware that we have given capital assistance amounting to three and a half million dollars to New Glasgow and Trenton? What do they think is their share?

Mr. HANSON (York-Sunbury): It took them months to get that much.

Mr. BROOKS: I know that assistance has been given. We get a little hand-out once in a while; we do not deny that; but I am speaking of the broad principle. I do not think we have received our share. We have over a million people in the maritime provinces, and if we received our share in proportion to the rest of Canada it would not be three and a half million dollars but a great deal more. Then this article goes on to ask this question:

What's wrong? Is it our fault? Have we lost the ability to become industrialists?

We were industrialists years ago.

Or are we forgotten?

I sometimes think, Mr. Chairman, that we have been forgotten, sadly forgotten. Just to show the mentality of the people in the central part of Canada in this connection, I would refer to a picture which was shown at a local theatre a short time ago, entitled "The Story of Canada's Growth." That was a beautiful picture; I enjoyed seeing it; but what did we find as far as the maritime provinces were concerned? One of the highlights was a Dutchman driving an oxcart through the village of Lunenburg. Another scene a Scotsman trying to squeeze the last inch of soil out of a barren hillside, although we have thousands of acres of good, fertile land in the maritimes. A further scene pictured a tarpaper shack with some lumbermen emerging from it. That is the sort of advertising we received as far as this picture was concerned. There was only one bright spot in it, the part showing the building of ships; that was the only instance in which the maritime provinces were shown in a good light.

What was the situation with regard to Ontario? Factory after factory was shown booming; the wheels of industry were turning to capacity. We were shown the great offices of the leading businessmen of Toronto. One man called up Edmonton and said that certain goods would be shipped by airmail. Another man was shown telephoning his representative in Vancouver that he would look after certain matters. That is the sort of comparison which leads us to believe that we are a forgotten people. In war all sections bear their full share. I was very glad to see in a recent article that the Minister of National War Services has become interested in the further development of industry in Canada.

Mr. HANSON (York-Sunbury): Is he taking a hand in this, too?

Mr. BROOKS: Evidently he is. The article to which I refer mentions the appointment of a committee of three representatives, under a policy designed not so much to decentralize future war industry that Canada may create, although this will be part of its function, but rather to distribute as widely as possible across the dominion the new industries that are expected to settle in this country as a result of the disturbances in Europe. The representative for the maritime provinces is Mr. Matheson, of Moncton. I know Mr. Matheson; I believe he is an energetic man, and no doubt if he is allowed to do so he will be of great help to the maritime provinces and eastern Canada. I think this is a sound policy; I hope it goes beyond sound, as far as the minister is concerned, and that something will be done along the line suggested. Canada cannot be a great country while the central part does all the manufacturing and the extremes, such as the maritimes, have no share in industry.

We have been told that one reason why there is not more industry in New Brunswick is that we have not the power. I know that our power in New Brunswick is limited; but since we are spending millions of dollars in other parts of Canada, why could not a few million be spent in order to produce more power in New Brunswick? At Grand Lake we have a large power plant, which could be expanded. We have plenty of coal, and I have been given to understand that power can be produced from coal as cheaply as from water. We are told that the development of the St. Lawrence is to be proceeded with. That also reacts against us in the maritimes. We will get no advantage from the development of the St. Lawrence, although we will

help pay for it. The excuse being used is that more power is required in the central provinces. The power development in the St. Lawrence river will not have been completed until the war is over. I believe the people of Canada realize that fact. Nevertheless we are asked to spend money from eastern Canada to develop more power in Ontario. In other words, more industry is taken away from us, and we must pay for it.

That policy is not fair. I pick up my Montreal paper each morning and I see in it pictures depicting the distance the icebreaker has moved up the St. Lawrence river. Perhaps I cannot criticize those pictures, because they arise through a practice which has been established over many years. But I wonder if hon. members realize that again, in connection with the operation of that icebreaker in the St. Lawrence river, we at Saint John and Halifax are helping to pay for something that is taking work away from those ports and our workmen.

We are told it is in the general interest. We have no great objection to helping anything which is in the general interest, but we do suggest that there should and must be a limit to this sort of thing. We are not looking for hand-outs or special concessions. We are seeking an opportunity of throwing our full weight into Canada's war effort.

Another point is that an equal burden in our war effort should be borne by all people. Anyone who will look over the list of recruits from one end of Canada to the other will find that we in New Brunswick have done as well as, if not better than, any other section in Canada. Our young men are still looking for a chance to enlist. Why? Because there is no industry in which they may take part. If in that province we have no industry in which they may be absorbed, if there is no outlet for young men, except on farms where we produce at a loss, we are again handicapped. However, I shall say nothing further about that now. There is only one outlet for our young men, so far as the war effort is concerned, and that is for them to enlist. Anyone who will tell me that a young man working in a factory is doing as great a service for his country as the man who takes his life in his hands is telling me something I cannot believe and I know hon. members will not believe.

This is a serious matter, and I would ask that the government give it careful consideration. We cannot keep this great Canada of ours united if one section of the country is prosperous, and another section is struggling for its very existence. What we need in Canada to-day is men of vision, men who can see beyond the narrow confines of their own provinces, men who will work for the good and interests of the whole dominion. We want to have established in Canada a great country—not a great country in the centre, but a great country from the Atlantic to the Pacific.

Mr. POTTIER: I cannot allow a discussion on shipbuilding, and particularly the building of wooden ships, to pass without at least taking some small part in it, particularly in view of the fact that I come from what I believe is or should be the banner shipbuilding constituency in Canada. I think it was around 1870 or 1880 that we had in my constituency more registered ships of the type then in use than any other place in the world.

I listened with keen interest to the observations of the minister when he explained his difficulties in connection with mechanics. I know of shipyards in my constituency—

An hon. MEMBER: Where is that?

Mr. POTTIER: If the hon. member who has just interrupted does not know enough geography to know where the constituency of Shelburne-Yarmouth-Clare is situated, then I suggest that his constituents should elect someone else to the riding he represents at the present time.

Mr. BLACKMORE: Tell us about it.

Mr. HANSON (York-Sunbury): They build some very fine boats.

Mr. POTTIER: I know of two shipyards in my constituency which have turned down orders offered to them by the government. Someone may wonder why that has taken place. I am going to give some of those reasons, briefly, and make a suggestion as to how the condition could be remedied, to the benefit of the shipbuilding industry. One of the reasons for the turning down of offered contracts is that our shipyards have turned out smaller and less expensive ships than those mentioned in the government tenders. They have turned out schooners valued at say $10,000 or $15,000, whereas the ships mentioned in the government contracts were of a type which would be valued at $50,000, $60,000 or $85,000. That would be a type of ship, the building of which some of the shipyards in that constituency would find it difficult to finance. It is not a type of ship beyond their powers of construction, nor a type for the construction of which they do not have the necessary mechanics or material.

Mr. HANSON (York-Sunbury): It was beyond their financial capacity.

Mr. POTTIER: Yes; their financial capacity was lacking. When those orders were turned down there were men in the vicinity who

could have been hired to do the work of carpenters. They had material sufficient to complete the ships; but they lacked the credit, and I suggest that is one of the factors which has brought about the condition to which the minister has referred. It appears to me that some method must be adopted which would remedy this difficulty, so far as the construction of wooden ships is concerned. I do not know if the remedy would lie in guaranteed credits to the banks, or some other method, but I do suggest that something along that line must be done.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. POTTIER: When the committee took recess at six o'clock I was discussing the difficulties being faced by some of the shipyards in my constituency. I would not want it to be thought that I am talking about all shipyards in western Nova Scotia. There are some about the financial standing of which I have not full particulars, and I have never had an opportunity to discuss this matter with those in charge. To finance a ship costing $50,000 necessitates a deposit of 10 per cent, or $5,000.

Mr. MacNICOL: What kind of ship can be built for $50,000?

Mr. POTTIER: A mine-sweeper.

Mr. MacNICOL: They cost $550,000.

Mr. POTTIER: I am sorry to differ with the hon. gentleman who has just interrupted me, but I know that the hulls of wooden mine-sweepers are being built for $50,000. The shipyard must put out another $10,000 or $12,000 for material and there will be labour costs of $5,000 or $10,000 before they can get a cent from the government by way of an instalment payment. If a yard is building four or five ships of that type it would need capital or credit of between $75,000 and $100,000.

In the last fifteen or twenty years wooden shipbuilding in the maritimes has suffered a slump. The result has been that many family shipyards have gone down and their credit has been used up. To-day many of these shipyards find it difficult to finance to the tune I have indicated. At the risk of repeating what I said before recess, may I say that the trained labour to do this work is available and the necessary material can be found in the vicinity; yet orders for wooden ships are going past our door simply because in some instances credit is lacking.

Many of the shipyards are equipped to build only one or perhaps two ships at a time; they cannot build four, five or six at once. If they were given proper encouragement by the government, the tonnage could be increased a great deal. Then the government is often quite tardy in making the instalment payments under contracts which have been let.

Mr. HANSON (York-Sunbury): The government is slow pay.

Mr. POTTIER: The government is good pay, but it is sometimes slow. This affects the production of tonnage to a certain extent. Many of these yards have had to wait for their money and sometimes they hesitate to take another contract. Something could be done by way of rushing payments. Another reason for the falling off in tonnage is the long period which seems to elapse between the calling of tenders by Great Britain and the awarding of contracts. In order to bring about increased production of tonnage, some improvement might be made in this connection. If the four things to which I have referred were taken care of, I think we would have an increased production from our wooden shipyards.

Last fall I spoke about wooden shipbuilding and urged that we adopt some policy which would bring about a greater production of cargo ships. I realized at the time that there was some difficulty in connection with gross tonnage of wooden ships as well as in connection with getting the necessary speed for convoy service. I have since discussed the matter with sea captains, shipbuilders, designers and the like, and I have come to the conclusion that what we should do in Canada is to build what was known in the last war as composite ships. In the last war, as at the present time, Canada built both steel and wooden ships, but we did not build any of the composite type.

During the last war the United States built ships of this type with tonnages of from 3,000 to 4,000 tons. The beams, frame and ribs were of steel, the rest of the ship being of wood. I have in my hand a blueprint of a ship of 3,500 tons. Its length is 269 feet, its breadth 45 feet and its depth 24 feet. These ships could be built with a speed sufficient to take part in convoys, and they would take care of the shortage of tonnage which we seem to be approaching quite rapidly.

Many of our shipyards could build these ships. We have the wood necessary to build them and they could be built to last for from fifteen to twenty years, long enough to

get through the struggle now facing us. We have the wooden shipbuilding mechanics available to do the work and it would not be necessary to train new men. By building this type of ship, considerable steel would be saved. In the last war I think we built between 150,000 and 200,000 tons a year of wooden ships. If we in Canada were to make an effort to construct wooden and composite ships, we could reach the same tonnage. If we consider that in Great Britain, for example, the output is only about a million tons a year, in the United States between two and three million tons a year, and that the world tonnage is but little more than twenty millions, an additional production in Canada of two or three hundred thousand tons would be of great importance and value in these days of short tonnage and of the urgency of supplying transportation in convoys. While perhaps this is in some degree a new venture so far as Canada is concerned, it must not be forgotten that in the last war we built wooden ships, steel ships and even, I believe, cement ships. I have discussed this matter in my own constituency with captains who served on these composite ships in the last war. They told me they were fine vessels, having a speed of twelve or thirteen knots; one captain had a ship of 3,200 tons, and I gathered, in our discussion, that the boat was well suited to convoy work.

I suggest, therefore, that the minister and the government consider seriously the advisability of developing a programme of building composite ships. If those parts which are composed of steel or iron could be fabricated according to a standard in some of our steel plants, probably they might be sent to different yards and the boats constructed by the builders of our wooden ships. That, in my opinion, is the proper and the best way to utilize the wooden shipyards for cargo tonnage ships, and it is a thought which I desire to emphasize at this time.

In conclusion, it seems to me that we should arrange to provide credits for the development of the wooden shipyards, through the provision of both working capital and additional equipment and machinery. If, by using the materials and the men available, we can produce a wooden ship which will operate efficiently under convoy conditions, I believe we shall have done all we can as Canadians in wooden ships in this struggle for ships, ships, and yet more ships.

[Mr. Pottier.]

Mr. JOHNSTON (Bow River): I desire to say only a few words before the conclusion of this debate on the war appropriation bill. From all parts of the chamber has come a great deal and a great variety of discussion. Of course, we of this group realize how tremendous is the appropriation which we are invited to vote under this bill, and we well understand that ministers have a great deal of work to do in connection with the war programme. It is a tremendous job, but this is also a tremendous war, so I think every hon. member should be entitled to criticize the government constructively in order that the greatest amount of effort shall be put behind the prosecution of the war.

I have just been reading a reported statement by Mr. Bullitt, former United States ambassador to France, to the effect that no country can really get down to business in the matter of war preparations until a few bombs have been dropped on them, and I have often thought that it might stimulate our war production if a few bombs were dropped here in Canada; we would then begin to realize that a real war is going on. I am convinced that we are not exerting our maximum effort. I do not say that the government is not doing its best, but that best is not good enough under present conditions.

Criticism of the government by hon. members, no matter where they sit, should be regarded as intended, not to hinder but rather to stimulate the government's war effort. The government takes decidedly the wrong attitude, therefore, when ministers become peeved at the criticism which is offered from the opposite side of the chamber. Some of them seem to have almost reached the point of mental break-down; they become slightly hysterical, and certainly irritable, at some of the criticisms. This attitude was evident the other day in ministerial references to the press. I have not found, in any criticism which I have read in the newspapers, any evidence of a desire to interfere with or hinder our war effort. To my mind it is the duty and the right of the press to criticize any government when it believes that that government needs criticism. I am quite aware of the attitude which ministers have taken towards some of their critics, but I assert that it is the duty, the privilege and the right of everyone in a democratic country to criticize when in his opinion the occasion calls for it. I believe everybody is most desirous of assisting this government in every way possible. That is certainly true of some of the provincial governments. Alberta has probably received the greatest amount of criticism and

has suffered more than any other province from discrimination, especially at the hands of the present dominion government. Yet here is what Alberta, through its legislature, said the other day:

War savings drive given endorsation in Alberta house.

In the face of solid opposition by independent members, a resolution endorsing the federal government's war savings campaign and urging upon the federal government "the necessity of adopting effective methods of financing the war and preparing for the post-war period by the national control and issue of money without inflation" was passed in the Alberta legislature to-day.

The resolution also urged that "every citizen of Alberta should cooperate with the dominion government in the winning of the war in every reasonable way possible."

The division was 35-18.

What did the provincial government ask the people of the legislature and the province of Alberta to do? First, to endorse the federal government's war savings campaign. Surely this dominion government is agreeable to that. Yet the opposition in the legislature of Alberta, instead of showing the same spirit of cooperation that the Social Credit members of parliament in this house have displayed towards the federal government, divided on that issue and voted solidly against endorsing the dominion government's war savings campaign. The vote on the resolution was 35 to 18, and the minority consisted of independents. Who are the independents in Alberta? They are made up of Liberals and Conservatives, and so far as I know, the only thing they are independent of is the people.

The second point was the necessity of adopting effective methods of financing the war. Who in the world could honestly and sincerely oppose the federal government's adopting effective methods of financing the war? I cannot understand any sane, intelligent people voting against such a thing.

The third was the issue of money without inflation. Surely those Liberals and Conservatives in Alberta do not advocate inflation; yet that is what they did when they voted against that.

The resolution further urged that:

Every citizen of Alberta should cooperate with the dominion government in the winning of the war in every reasonable way possible.

Can you understand, Mr. Chairman, any people voting against that? Yet Liberals and Conservatives in Alberta, did so. That may be their idea of cooperation, but I am sure this federal government would not appreciate cooperation like that from the opposition in this chamber. There was a division of thirty-five to eighteen in the Alberta legislature. May I point out that no other organization in all the dominion has given this federal government the support that the province of Alberta has given, in every way possible, as far as this war is concerned. The only thing they are concerned about, the only thing we are concerned about in our criticism of this government, is that we should be doing more, not less, and our suggestions have always led to that.

This government, however, whether intentionally or not I do not know, seem to be critical of any criticism that may be offered; and, as I pointed out a moment ago, they took exceptional objection to the criticisms offered by the press. The Minister of Munitions and Supply (Mr. Howe) even said, referring to one newspaper, that it was the No. 1 saboteur. That is a very strong statement, and if it is true, then I think the minister should do something about it. The Minister of Agriculture (Mr. Gardiner) the other day had this to say with reference to the press, as reported at page 1321 of *Hansard:*

My criticism of the press, more particularly a certain section of the press, would be this, that there is no organized group in the dominion that has done more since the fall of 1939 to delay the war effort of this country than certain sections of the press in Canada. That effort started even before war was declared, and it has been carried on since.

Mr. HOMUTH: Who said that?

Mr. JOHNSTON (Bow River): The Minister of Agriculture and Minister of National War Services. He said that they had done more to interfere with the war effort. That must be subversive, certainly against the defence of Canada regulations. If that is true, the Minister of Agriculture should do something about it. Let us see what the Prime Minister (Mr. Mackenzie King) said. At page 1231 of *Hansard* he is reported as saying:

As a member of parliament, I feel that the rights of parliament are supreme over the press or any other institution in the country; and if I find the press of the country misrepresenting the position as it affects the government or its war effort, I intend to take exception most emphatically to what the press says. The press is one power in the country, but I hope the day will never come when the press supplants the place that parliament is supposed to have in upholding the rights of the people. There is one other power that is supreme over press and parliament alike, namely, the people of the country; and the people of this country, on more than one occasion, have shown what they feel with respect to a press that represents a point of view contrary to that which they themselves entertain.

These are strong terms, but he goes further. Mind you, I am not saying that the Minister of Agriculture was not right, nor am I implying that the Prime Minister is not right;

but what I want to know is, what they will do about the matter. The Prime Minister went on to say, as reported on page 1232 of *Hansard*:

I ask hon. members if that is fair criticism. Are not all these not only false insinuations but false statements? Are they not malicious statements? I go so far as to say that that article is libellous; first, because it is false, and, second, because it is malicious, and it bears the stigma of both these things on its face. I go further and say it infringes the privileges of this house.

One minister says the press is the No. 1 saboteur; another minister says it has done more to interfere with our war effort than anything else in Canada; the Prime Minister says that these statements are malicious, libellous and false, and infringe upon the rights of the members. What is the Prime Minister going to do about it? Let us go back and see —in the statement I first read to the committee. He said: "I intend to take exception most emphatically to what the press says." Take exception! They do not care whether he takes exception to it or not.

An hon. MEMBER: Why should they?

Mr. JOHNSTON (Bow River): Why should they? He is going to take exception to it. I could not help thinking, from the way in which the Prime Minister guarded his remarks, that the insinuation all the way through, as I understood the speech, was a direct threat to the press. Yet he adds that he will take exception to it.

I am not saying that the Prime Minister is not right, but I wish to compare the attitude of this government to criticism from the press with the attitude which they took towards the Alberta government when it had something to say about the press. The Alberta government never at any time refused the right of criticism to the press. It never called them saboteurs. It may have said that they misrepresented the facts, but this is what it had to say with regard to the act to ensure publication of accurate news and information:

Why pass:

First, because the control of news and the control of credit are both exercised by the financial interests.

Second, because "the freedom of the press" has become licence to distort news—

I do not think the Minister of Munitions and Supply would contradict that statement.

—misrepresent facts—

I think he agrees with that.

—and withhold essential information from the public.

[Mr. C. E. Johnston.]

I said, "essential information"; that is, truthful information. I think the Minister of Munitions and Supply agrees with that.

Third, because this anti-social aspect of the press, under inspired direction, is being used to thwart the people of Alberta in their struggle against finance.

What happened? Assent was withheld by the lieutenant-governor, a Liberal appointee of this government. The measure was declared unconstitutional by the Supreme Court of Canada, and on an appeal by the province of Alberta from the decision of the Supreme Court of Canada, the privy council refused to hear Alberta's argument by counsel.

What it would have done:

First, it would have ensured that all newspapers in Alberta would publish all the facts in their news reports of governmental matters, so far as this was possible—

No restriction whatever.

—and if, from any cause, false statements appeared, equal space would be given for authoritative correction.

Is that unreasonable? Had that passed, had that practice been carried on throughout Canada, I wonder if this Liberal government would have appreciated it right now.

Second, would have ensured that the same information that every publisher demands from correspondents to his columns, that is, the names of contributors of articles, would be available to the people when demanded by their representatives.

This, briefly, is all the Press Act meant. It was widely misrepresented by the press as a muzzling act; actually it was the reverse. It did not prohibit the press publishing anything it wanted; it merely provided that the public be told all the facts, not merely what a particular newspaper saw fit to publish. I wonder whether the Minister of Munitions and Supply agrees with that. I wonder whether the Prime Minister agrees with that. Yet the opposition to the Social Credit government were the very ones who opposed that Press Act. The federal government is now complaining most bitterly when the press criticize it. I think the press should have every possible privilege of criticism; but they should not be allowed to publish misrepresentations and false statements, and if they should do it under any circumstances, by intention or otherwise, then the correction should be made and given the same publicity.

The Prime Minister overlooks one fact—if he does not know it now he soon will—that the press in this country under organized finance is much stronger and more powerful than he is.

Mr. HANSON (Skeena): Stronger than the government?

Mr. JOHNSTON (Bow River): Yes, stronger than the government.

Mr. HANSON (Skeena): That is a broad statement.

Mr. JOHNSTON (Bow River): It is, but it is proving to be true. The government is quite concerned, and perhaps rightly so, about the criticism that is being offered about it from time to time. That is a privilege of members of parliament, and I do not see how the government can expect the people of Canada to have confidence in it when the members of this house have no confidence in it. I am not saying that in an unduly critical spirit, because there is no one in this country more anxious than I am to see this war carried on successfully. Never have I done anything that I know of to hinder this war effort.

I have, however, been greatly concerned by reason of our lack of effort. Why? Maybe it is because I do not know all the facts, but I certainly have been trying to find them out. I look at the newspapers and see great headlines about the quantity of munitions pouring off the line. I see pictures of a fleet of aeroplanes, giving the impression that we are putting out aeroplanes faster than the British can use them. One goes to a movie and sees, as we were shown in Ottawa the other day, a row of tanks and these aeroplanes going round. That is propaganda, and probably rightly so, to indicate what we are doing, but the impression is being given that we are doing everything that is humanly possible. I do not think that is true. It may be good propaganda, and I do not think that should be neglected, but it is definitely wrong to lull our people into false security, because it will work against us in the long run.

We are told on the radio time and time again that this is an all-out war effort. If it is I say, let us go at it; let us do it in that way. But I very much doubt that. I had an illustration which shows why I have not the confidence in the government that possibly I should have. On one occasion I went into a manufacturing plant in eastern Canada and the management told me they were then working on contracts which the government had not signed. I asked, "How do you know the government are going to accept your tender?" He said, "We do not know, but we cannot wait on this government." When a manufacturer tells you that—

An hon. MEMBER: What was he making? Moonshine?

Mr. JOHNSTON (Bow River): I do not have to tell the hon. member, because he probably would find it if it was. One cannot expect people to have confidence in the government when they find such things as that. The other day I saw in a newspaper this statement by Mr. Macaulay when he was speaking at a banquet in Toronto, I think it was on February 28 last, with the premier of Ontario:

> When I know that not ten miles from here there is a great aircraft plant working at only twenty per cent capacity and know at the same time it is touch-and-go if Britain will have enough aircraft, I then wonder if Canada has wakened up.

Mr. Macaulay is a responsible member of the Ontario legislature. I do not think any citizen in his position would make a statement like that if there were not some truth in it. No matter what the government say, I cannot bring myself to believe that, when such conditions exist, we are putting forth an all-out war effort.

I have travelled over western Canada a good deal and have visited many plants in Calgary, Edmonton, Lethbridge and Macleod, and these establishments which were manufacturing war materials in the last war are not doing anything now. I ask myself, if we are having an all-out war effort, why are not these plants doing something?

The other day the minister stated that we are something like three months behind expectations. That, I think, shows that the minister is not satisfied. He may be doing all he possibly can, but it leads me to believe that there is something wrong somewhere. It is up to the government to find out what and where it is. It certainly cannot be said that the people are not anxious to do everything that can be done, because everywhere I go I find that one of the most talked-of questions. Men say, "Why cannot I get a job?" I heard the minister talking about experts to-day, saying they cannot get sufficient skilled labour. Only yesterday I got a letter from a man, and I know this personally because in the early part of last winter I myself told him to write to the government. He is a trained blacksmith with years of experience, an expert electric welder and an expert acetylene welder, but he cannot get a job. When I was going home on the train last year I met a man coming from Quebec, a young French fellow, who told me he had spent seven years working on a lathe. He could not get a job; he was going out to British Columbia to see if he could get work with a private concern. He told me that he had waited for three weeks in Montreal trying to get a job with a firm having a government contract, but he could not get employment with them. Nevertheless the government say now they cannot get experienced workmen. When I see the conditions that exist I can hardly bring myself to believe that statement.

The other day I received a resolution passed by the city council of Drumheller and signed by Mr. Harold A. Brown, city clerk and treasurer. These people are greatly concerned about our war effort. Sometimes I think it would do the members of the government good if they would just travel around among the people and find out what they are thinking. After all, it is the people who must be behind our war effort, and if we have not their confidence we cannot get very far. This is what the city of Drumheller has to say:

> The mayor and members of the council of the city of Drumheller hereby go on record of their support of the efforts which have been made to date by the Drumheller board of trade, the Drumheller junior chamber of commerce and other organizations in this community to obtain location at Drumheller of some of these war-time enterprises.
>
> And further go on record in their submission that the city of Drumheller and district is not receiving fair and reasonable consideration in this regard and request the government of the Dominion of Canada and its proper ministers and officers to take under consideration the claims of this city and district to have established here one or more of the schemes created for the furtherance of Canada's war effort.
>
> And that the field army workshop No. 6 R.C.O.C.R.A. be established as a permanent force with headquarters at the said city.
>
> This council hereby undertaking on behalf of itself as a corporate body, its members and the citizens of Drumheller and district as a whole to continue their whole-hearted support of the government of this dominion in the prosecution of the war and in particular undertaking to cooperate and assist our dominion and the various departments thereof with reference to making available the facilities of this community in connection with the establishment of any war-time undertaking here.

In view of that, no one can tell me that the people of Drumheller are not greatly concerned; and as they see the hundreds of unemployed, they ask themselves the very same question I am asking: what is the matter? Is this an all-out war effort? We go around and see plants idle; we see aircraft factories not working to capacity. What is the matter? Surely something must be wrong. The other day the Minister of Munitions and Supply suggested that hon. members should visit these factories, and I think he was quite right. He should, however, make it possible and convenient for members to visit these munition plants, gun and aircraft factories, military centres, barracks and air-training centres. It is the duty of hon. members to make these visits, but I believe the government should issue blanket passes to all members of parliament to enable them to gain admission to these places. Hon. members should visit these Bren gun and aircraft factories; they should talk to the management and see what is going on, in order to know whether or not everything possible is being done.

An hon. MEMBER: How many private members would know whether or not a factory was doing a good job?

Mr. JOHNSTON (Bow River): I do not think it takes a great deal of intelligence to know whether or not a factory is working full time; and I for one will never be satisfied that we are making our maximum effort until every able-bodied citizen in this country is at work, until every factory that is capable of production is working twenty-four hours a day. Then I will admit that we are making our maximum effort.

The other day I think it was the hon. member for Weyburn (Mr. Douglas) who said there was a great deal of politics in this war, and I am inclined to agree with him. He mentioned the great work done by the people of Canada in the past, referring to the national registration, the war savings campaign, and so on. It is said that we are going to have a census taken, which will cost in the neighbourhood of $3,000,000. I believe it will be a bad thing if, after asking the people to do all these other things voluntarily, the government begins now to conduct the census on a patronage basis. The other day the Minister of Trade and Commerce (Mr. MacKinnon) told us definitely that this was not going to be a patronage affair. I understand that in my constituency the government asked the defeated Liberal candidate to recommend a commissioner, and this gentleman recommended himself. He is the commissioner, and people must apply to him if they want anything to do in connection with the census.

Mr. DUPUIS: Name him.

Mr. JOHNSTON (Bow River): It was Mr. Claypoole; I have no hesitation in naming him. I hope the hon. gentleman is satisfied.

Mr. DUPUIS: Is he a good citizen of this country?

Mr. JOHNSTON (Bow River): Well, he is a Liberal.

Mr. DUPUIS: That is a good recommendation.

Mr. JOHNSTON (Bow River): I would not go any further than that. I do not think that sort of thing is right, nor do I believe it will help to create unity in the country. As a matter of fact, I think it will work in the opposite way. I believe it would be decidedly wrong for the government to carry on this census under these conditions.

I should like for a few minutes to refer to the salvage scheme. I do not think any section of Canada has contributed more to

our war effort than have the prairie provinces. When one considers what the farmers have contributed, are contributing and are expected to contribute, with absolutely no profit but rather a loss to themselves, no hon. member can say that western Canada is not doing its share and possibly more than its share. Now we are asked to support a salvage campaign. I have no objection to that; if it is necessary, it should be done, but one thing about it surprises me. In a letter we received some time ago from the Minister of National War Services we were urged to collect scrapiron. and were told that it was one of the most essential things at the present time. Perhaps he is right, but on February 26 we received a letter signed by Mr. Justice T. C. Davis, associate deputy minister of the Department of National War Services, in which we find this statement with regard to scrapiron:

> Scrap cannot be economically moved at the moment from Saskatchewan, Alberta or British Columbia owing to the fact the point of consumption is largely in the Hamilton area, in Ontario, and the freight rate on these commodities from these provinces to this point is such that it is practically impossible to economically move this material.
>
> At the moment negotiations are under way with the railway companies to try to get them to reduce the freight rates on material of this kind, gathered in these provinces by voluntary organizations, created according to the terms of my letter of February 5. We are also in consultation with the steel controller and expect to be in consultation with the steel companies to see if we cannot get an increase in the price of scrap gathered in these provinces by organizations created in accordance with the terms of the said letter.

This is the thing which, if it were not so serious, would be funny. The government pleads for scrap iron. Then Mr. Justice Davis tells us that scrap iron cannot be economically moved from Saskatchewan, Alberta and British Columbia. If that movement is essential to our war services, why bicker with the railway companies to see whether or not we can get reduced freight rates? Why not tell them what you want to do? That is what you are doing to the labourer; that is what you are doing to the farmer. Why not tell the railway companies what you want to do, and not deal with them as the Minister of Transport tried to deal with me a short time ago in connection with the matter of elevators in western Canada, when he placed the blame on the board of railway commissioners.

The course taken by the government is not a serious war effort. Let us get down to realities. Let us merit the confidence of the people. Not by such acts as I have mentioned will the government merit it. It is stated that movement cannot be made economically because the only place where the scrap iron can be used is in Hamilton. Some time ago a request was made that the government open the rolling mills in Calgary. Those mills operated at the time of the last war, and the machinery used at that time is there to-day.

Mr. DUPUIS: Good for scrap iron.

An hon. MEMBER: Does the hon. member use scrap iron?

Mr. JOHNSTON (Bow River): It might be necessary to spend a little money on them, or to add a little more machinery, but if those rolling mills were opened again, we would not have to ship the scrap iron to Hamilton, Ontario. We could take care of it right in Alberta. No one can tell me that we are doing our maximum war effort when that plant is lying idle. Those rolling mills in Calgary could supply materials for places such as Macleod, Medicine Hat and Edmonton. They could use all that scrap iron, and Mr. Justice Davis would not have to write a nonsensical letter such as this saying that scrapiron cannot be economically moved to Hamilton. We could process it right in Calgary.

When I see these places not working, I question the sincerity—possibly I should not say the sincerity—the action of the government. I do not for one moment believe the government is not sincere, but I think there is something lacking in the organization, and that there should be a change.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I would remind the hon. member he has spoken for forty minutes.

Mr. HANSON (York-Sunbury): May I say a few words?

Mr. HOWE: Have I not the right to reply? We have heard two opposition speeches.

Mr. HANSON (York-Sunbury): I wish to say something about shipbuilding.

Mr. HOWE: I wish to speak about the same subject.

Mr. HANSON (York-Sunbury): Who has the floor?

The ACTING CHAIRMAN (Mr. Fournier, Hull): I saw the leader of the opposition first.

Mr. HANSON (York-Sunbury): I promise the minister I shall be exceedingly brief. I wish to deal with two topics, both of which are germane to the resolution before the committee. One arises directly from this evening's debate with respect to shipbuilding.

I shall ease the minister's mind at once by telling him that I am not in a critical mood this evening. Rather would I hope with regard to this particular matter to make some con-

structive suggestions. I heard with a great deal of interest, and subsequently read with equal interest the progress report made by the Minister of National Defence for Naval Services (Mr. Macdonald) last November at the opening of the session. I was particularly interested in that part of his speech which dealt with naval construction in Canada, when he told us that the government had been making certain types of naval vessels, such as corvettes and mine-sweepers, and in which he visualized the building of destroyers and cruisers in Canada.

I recall that when the Minister of Munitions and Supply (Mr. Howe) returned from England he made an announcement, first, I believe in the United States before he reached Canada, and subsequently amplified in Canada, that the Canadian government for the account of the British government would undertake the construction of a substantial number of freighters, due, of course, to the losses in British tonnage which had been sustained through submarine warfare. All of this was heartening. But when one comes to analyse the statements which have been made, he will see at once, and become convinced that all these are directly attributable to the war effort, and to the war effort alone.

Not for one minute do I condemn that. It is absolutely as it should be, and in so far as the government has gone I desire to commend it. Just how far it has gone in the construction of various types, the minister will perhaps inform the house at a later time.

In this connection I am reminded that last evening over the radio we had the pleasure of listening to a speech by the president of Vickers in Montreal, in which he dilated for fifteen minutes—I assume under the auspices of the bureau of information—upon the programme of construction of war vessels and freighters—all of which was heartening. I would suggest to the ministry to-night that it take a little longer view of this question of shipbuilding. We have heard a good deal to-day about loss of industry in the maritime provinces. May I point out to the committee and the country that if there is any part of Canada constituted favourably for the development of steel shipbuilding, it is the maritime provinces, where we find the conjunction of coal and steel. I am not as old as some hon. members, and perhaps a good deal older than others, but I recall the days when the Dominion Iron and Steel company was first established on the island of Cape Breton. That huge plant was established at that point because the relationship of the natural resources of Cape Breton to the iron mines in Newfoundland stood in a particularly happy position, so far as the export trade of Canada was concerned.

I believe Mr. Fielding was Minister of Finance at that time, and I remember how he endeavoured by a policy of bonusing to establish the steel industry in Nova Scotia. That industry has had its ups and downs, fortunes and misfortunes; but to-day I believe, if we view it in the light of what it is doing in connection with the war effort and for the British government, it must be recognized at once that no matter what may have been the cost to the country in days gone by, it is a good thing for Canada and for Great Britain that to-day that huge industry operates in the bluenose province of Nova Scotia.

May I impress this point upon the ministry: The maritime provinces have suffered industrially and geographically. I have never disguised from myself the fact that geography has been against New Brunswick and Nova Scotia from the point of view of interprovincial trade. If I needed any reminder of that fact, all I would have to do would be to read the report my hon. friend the Minister of National Defence for Naval Services published some years ago when he first became premier of Nova Scotia, and when I thought they overplayed their hand a little bit too much.

I do not want to make anything like a political speech to-night and I shall come immediately to the point. We have in this government some important men; there are a number of key men, members who are endeavouring to do their duty to the country and to the nation. They are doing their duty as they see it in connection with the war effort. I often think, however, that this is not the only duty that devolves upon them as occupants of the treasury benches.

From time to time we have been reminded in this house that there will be a post-war situation in Canada. Unless we take time by the forelock and endeavour to develop some new ideas, that period is going to be a sad time for this dominion. I should like to make a constructive suggestion to the commitee and to the country. I should like to impress upon the ministry, especially those members who are from the maritime provinces, that they begin now to visualize a future for the maritime provinces by the recapturing of our industrial position. I can see no greater scope for the effort of the government than in connection with steel shipbuilding.

During the past summer I had the honour to address the Commercial club of Halifax, and I outlined at considerable length to the merchants, manufacturers and business men of Halifax there assembled the opportunity which would come once more to the maritime provinces by recapturing and rebuilding

the position which had been lost, largely through our own inertia. I put to them this alternative: Shall the business men of the maritime provinces seek to take advantage of the opportunity which will present itself presently to rebuild the industrial status of our provinces, or shall they continue just to sit down and draw their bank and other dividends, as they have done in days gone by, rather than exert themselves to build up for the future?

I am optimist enough to believe that there is an opportunity in Nova Scotia and New Brunswick to build up a steel shipbuilding industry that will carry us on to new adventure and new profits in the post-war period. We have heard, in days gone by, that in times of peace we cannot compete with England in the building of steel tonnage because our costs are too high and perhaps we have not the skilled labour. These offer a challenge to our people. In days gone by, the government has spent substantial sums of money upon dry docks and shipbuilding plants in the maritime provinces. These dry-docks and plants are now occupied to capacity, but largely on repair work.

As soon as I read that the Minister of Munitions and Supply had returned to Canada with a programme for the construction of 9,000-ton freighters, I thought immediately of the possibilities with respect to the plant at Saint John. I was told that without a substantial capital expenditure it would not be possible to lay keels for 9,000-ton ships. But if given the opportunity, which I believe they will be given, they could lay keels for 6,000-ton, 5,000-ton and 4,000-ton ships which would be of great advantage to Great Britain at the present time, as well as in the post-war period. There are enough men with enterprise and ambition to take up this matter, and there is still capital in the maritime provinces.

I suggest to my hon. friends from the maritime provinces who are in the ministry that, no matter how engulfed they are with their war work—and I know they are so engulfed—they get together and bring into consultation the best brains available with marine knowledge to see if a plan cannot be mapped out for the establishment of a steel shipbuilding industry in the provinces of Nova Scotia and New Brunswick. If they do that, a generation down there will rise up and call them blessed. I have lived a good many years in that section of Canada and I have seen one old family company after another fold up and pass out of the picture. This has been one of the most distressing experiences in my whole life.

Fifty years ago, those provinces were teeming with small industries. I think we made a great mistake in Canada when we failed to support the maintenance of small industrial units. We have been so imbued and impressed with the example of our friends in the United States; we have felt that everything must be done on a huge scale, that there must be great mass production, and we have lost sight of what to me is a most important factor to the community and to the nation. We should maintain as far as is economically possible small industrial units throughout the country. I throw out this suggestion to the ministers in the utmost good faith and ask them to give it consideration.

There is a large dry dock at Saint John and another at Halifax, both built with government subventions. These dry docks do intermittent work during peace time, but a programme of steel shipbuilding would give them the necessary backlog to retain their artisans and skilled workers. They are not as scarce as the Minister of Munitions and Supply thinks they are. I was told that the Saint John company had stepped up its personnel from 400 to 1,200, and they may take on still more. It may be necessary to train some men. I believe that the genius of our people and their desire to see a rehabilitation of this industry in the maritime provinces is sufficient to overcome what are insuperable difficulties in the minds of some persons, but which fade into insignificance when one gets down to realities. I feel sure that once more the people of the maritimes, with the vision they have had in days gone by, will be able to come forward and regain, in part at least, the position which they occupied in older days.

What part of Canada is more favourably situated for export trade than the maritime provinces? Why have we not the export trade we ought to have. I know it is the custom to blame everything upon central Canada, but that is not the whole story. Part of the story is the fact that after the civil war in the United States, after the good times that came then to our seaports, our exporters were content to consolidate their gains, to sit down and invest their money in bank stocks and things like that; in other words, to rest upon their oars. The maritime provinces should have seized their opportunity and built up a sound industry of steel shipbuilding. Where would we be to-day? Therefor I say to the members of the government, those who are charged with the responsibility to-day: Do not be so engulfed in your duties in connection with the operation of the war, important though they are; have a little vision and let all of us get together,

perhaps round a table, and see if we cannot do something to further that which is so dear to my heart, at all events.

There is just one other observation I wish to make. In the very much abbreviated statement, covering as it does less than four pages of *Hansard,* which the Minister of Finance (Mr. Ilsley) made on February 18 when he introduced this resolution, he, having announced this huge expenditure, omitted—and I am not saying this in a critical sense—to tell the people of Canada and this house how he proposed to get this money. Before this resolution is reported out of the committee, I invite him to do so. How much of this money is to be raised by taxation? I do not suggest for a moment that he should tell us what, if any, new taxes should be imposed; that, of course, would neither be proper for me to ask nor for him to disclose. But what I should like to know is, just how much of this $1,300,000,000, or if it is now to be $1,460,000,000, are the Canadian people to be asked to pay in taxation, and how much are we to be asked to lend? I think that is a reasonable request, and if the government has arrived at a conclusion we should be told.

Mr. ILSLEY: That would be anticipating the budget.

Mr. HANSON (York-Sunbury): I do not think so.

Mr. ILSLEY: Oh, yes.

Mr. HANSON (York-Sunbury): I disagree entirely with that. This is a credit. All may be borrowed.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): I do not for a moment anticipate that all will be borrowed. I anticipate that a certain amount will be raised from taxation, based upon the returns received from the taxation which is already imposed. The Canadian people have a right to know if they are to be asked to pay so much more in taxation for the next fiscal year than they are paying for this year. I think it is the duty of the minister, and I invite him to tell the committee and the country, just how much more we are going to have to pay in taxes, and how much is to be raised by way of loan.

Mr. JOHNSTON (Bow River): All of it.

Mr. HANSON (York-Sunbury): No, not all of it.

Mr. JOHNSTON (Bow River): The resolution says so.

Mr. HANSON (York-Sunbury): We are in this war, and this resolution will be passed. It will be passed in this chamber unanimously, I imagine. At all events it will have behind it the unanimous support of our party in this house; it will have behind it unanimously the government's supporters, and I hope it will have the unanimous support of my hon. friends in the far corner, although I cannot speak for them. Our Canadian people are thoroughly behind a maximum war effort, but we want to know. We want to know everything which can be told to us, save and except those things which might bring aid and comfort to the enemy or which might be detrimental to the war effort; and to assert that a statement that so much is to be raised by taxation, so much by loan, would be detrimental to the government's war effort is, I submit, an absolute *non sequitur.* We should be told in advance of the budget.

The government is now making preparation for the next loan. It will take the united effort of every class of political opinion in Canada to put this loan over. I am not unmindful and I am sure the minister is not unmindful of the last loan. That condition must not happen again. And there must be no forced loans in Canada. That would not be creditable to the Canadian people, and I am sure it will not be necessary. But in order to achieve the maximum in connection with loans, I suggest to the minister that he will have to get the united and undivided support of every class and every species of public opinion in Canada.

I tell him this, just one final word before I sit down, that he cannot get that if the government is to continue to be carried on in a partisan manner.

Mr. HOWE: I am very glad that my hon. friend took the floor before I did, because what I have to say might have rather spoiled his eloquent address.

In considering the remarks of the hon. member for Vancouver South (Mr. Green) and the hon. member for Shelburne-Yarmouth-Clare (Mr. Pottier) it occurred to me that I could have gone somewhat further than I did in saying the government of Canada has approved a Canadian programme of shipbuilding. I often think it is not wise to go too far into the details of that sort of thing until one is able to say just exactly what he can do and how fast he can do it. I have been criticized for making an announcement and having a time lag before we carried it out. But we are examining the situation closely to see how far that programme can succeed. We are hopeful that we can get out some additional capacity, but I am perfectly certain that it must be done in an orderly way. We had an example in the last war of a government rushing in, late in the third year of war, with a shipbuilding

programme which was put out helter-skelter; almost any sort of plant which would undertake a job or accept government assistance took a contract. The result was that they got some very badly and uneconomically built boats, and they had a post-war problem which lasted for the next twenty years. We hope to be able to build in an orderly way a Canadian fleet of boats, and, of course, we shall distribute that work as widely as circumstances will permit.

My hon. friend the leader of the opposition has spoken for shipbuilding in the maritime provinces. I agree with him that from its history and its geography that section of Canada should be an ideal place to carry on a shipbuilding programme. We must nevertheless face the situation as we find it. At the time that the first corvette programme was placed, we ordered three corvettes from the St. John shipbuilding company. Those corvettes are not built yet, although other yards have turned out many times the number. I am not criticizing the St. John yard, because it has been using every man it could employ, and has searched Canada for men. I know that the company has searched the prairies and every other part of Canada in an attempt to bring shipbuilders to St. John. The fact remains that they have not been able to man their yards sufficiently to work twenty-four hours a day on the repair of ships. We refrained at that time from placing orders for new ships in Halifax, for the reason that we knew the capacity of that yard would be taxed to the limit on the overhaul of ships, and we wished all the manpower that could be collected there to be concentrated on that particular work.

After all, to obtain ships to be of use in this war, by far the most efficient method is to give a quick turn-around to the ships that are in service, and that is possible only if we have entirely adequate repair facilities at the turn-around port. I am sorry to say we have not been able to do that entirely. We have been bending every effort towards it. We have been trying to attract manpower to those ports. We have put in additional facilities and we are still building additional facilities in the hope of being able to bring that about. But I wish to make it clear that until we can have completely adequate repair and overhaul facilities for the turn-around of the boats now in service, it would be folly to attempt a large-scale programme of shipbuilding that would in any way cope with the situation affecting the present shipyards.

Another fact that stares us in the face is that a factor in the efficient use of ships is rapid loading, and there again we have not up to this time been able to organize the waterfront of Halifax on a twenty-four hour basis—again, for lack of man-power. We hope to do it. Until recently the docks closed at eleven in the evening and did not open until eight next morning, and Halifax, I believe, was working with only one shift of stevedores, who were working a long day.

Mr. ISNOR: That has been changed.

Mr. HOWE: Yes. If we can attract sufficient man-power we hope to have a twenty-four hour operation at Halifax which will greatly improve the situation there so far as the efficient use of shipping is concerned.

These are the immediate problems and they must be fully overcome before we can do very much in a merchant shipbuilding programme. However, we have the programme; we are undertaking it and we are going to press it as rapidly as we can. How many ships we shall be able to build in our own programme, in addition to present and future demands from Great Britain, I cannot say, and of course no one can say at this time. We are going to do the best we can, but I must point out that the building of steel ships does not lend itself to the upbuilding of small communities in the same way that the building of small wooden ships did in days past. That cannot be expected. We must also face the fact that at the present time the cost of building merchant tonnage in Canada is about double the cost of building the same tonnage in Great Britain. I have a feeling that we can better those costs, and at least by the end of the war we shall have developed some skill in that direction which will make us better able to compete in the building of ships as a peace-time operation.

Everything that can be done will be done in that direction, and I sincerely hope that as the days go by we can attract more and more men into the shipbuilding industry and have them trained to be skilful mechanics in that industry, so that our shipbuilding industry will grow stronger from month to month.

Mr. BLACKMORE: What device is being used to attract men to the shipbuilding industry? What advertising facilities are being used so that a man in my constituency, for example, would know that there was a job, what he would get, and how he could get there?

Mr. HOWE: I have seen advertisements in most of the prairie papers. I do not know that I have seen them in the Lethbridge *Herald* or other Alberta papers, but I have seen them in several prairie papers stating that experienced shipbuilders were required and that the company would advance the railway fare to the place where work was available. That is, experienced shipbuilders.

Mr. BLACKMORE: Do they advance the railway fare back again so that men would know they were not going on a wild-goose chase?

Mr. HOWE: I do not think they would want to pay for a round trip.

Mr. BLACKMORE: That is where the difficulty lies. If a man goes to Saint John and is not accepted, and if there is no opportunity for him to be examined beforehand, it is a serious matter.

Mr. HOWE: If they cannot work in the shipyard there is plenty of work. They would have to work until they earned their fare back.

Mr. GREEN: Can the minister say what sized ships will be built?

Mr. HOWE: We are studying the situation.

Mr. GREEN: Is it considered possible to build wooden ships?

Mr. HOWE: Naturally we should like to build 10,000-ton ships if possible; if not, we are studying such other sizes as can be built which are economical in operation. We have no demand for wooden ships.

Mr. KINLEY: The building of ships in Nova Scotia seems to have dominated the discussion in committee to-day. I know of nothing that will capture the imagination of the people of Nova Scotia more than this question, but I am sorry to say that in recent years it has been mostly imagination. The practical application has not been as good as it should have been. I believe, however, the time has arrived for a revival, for several reasons. The first is the great need of the country; second, the situation at tide-water on the eastern coast of the country; and, third, the fact that we have as Minister of Munitions and Supply (Mr. Howe) a gentleman who is eminently fitted for the position and who has knowledge of conditions in Nova Scotia. The Minister of Munitions and Supply bears the illustrious name of Howe, and I believe he is of the same blood as that great tribune of the people of Nova Scotia, the great Joseph Howe, who is still to-day considered Nova Scotia's greatest statesman.

The hon. gentleman has been Minister of Munitions and Supply in this government for some time; and as one who is interested in industry, having some little knowledge of industry in the country, I have been watching his performance. I have also seen what the press had to say, and while they have criticized him—and much of that criticism, I think, is light thinking and subtle and shows a lack of knowledge of the mechanics of the situation—I have yet to see a newspaper that has questioned his integrity, ability or industry.

[Mr. Howe.]

For some years the minister lived in Nova Scotia, having been a teacher in our university of Dalhousie. He therefore knows the background of Nova Scotia and I believe that when we appeal to him, as we have done to-night, with the leader of the opposition (Mr. Hanson) backing us up in our desire for more shipbuilding in Nova Scotia, we can look to this minister with confidence that he will do something more in the near future.

This talk about delay in getting on with the war effort from a mechanical point of view suggests that many people do not appreciate what it takes to turn out a new product in the mechanical field. I recall that Henry Ford, a great mechanical genius, perhaps the greatest on the American continent, closed his plant for a whole year in order to change the model of his car; yet we want the minister to take on new products and overnight produce them so that they will be sent forward, without all the thought, work and planning which it takes to bring a new product into existence in the mechanical field.

The hon. member for Royal (Mr. Brooks) this afternoon painted a very blue picture of Nova Scotia, so much so that I would hate to live in a country that is as bad as he painted Nova Scotia. I think he was talking euphemistically when he said he saw Nova Scotia in pictures in Ottawa—

Mr. BROOKS: Did the hon. member not see the things I mentioned?

Mr. KINLEY: Just a minute. I do not know much about New Brunswick, but I happen to know Nova Scotia and Prince Edward Island. As the hon. member says, I did see the picture of Nova Scotia, and to my great delight the two things he referred to were in my own riding and my own home town. He talked about a Dutchman driving an oxcart. Let me tell him that when I see a farmer with a good fat pair of oxen in my county I know he has money in the bank. I also wish to say that there are no Dutchmen in my county. Many people in my riding are Hanoverians whose ancestors came to this country about two hundred years ago; they were followers of Louis, Prince of Lunenburg, who became George, King of England. They are Nova Scotian and later Canadian citizens for two centuries, loyal, industrious and progressive.

Mr. BROOKS: I would be the last to say otherwise.

Mr. KINLEY: Strange to say, the shipbuilding activity my hon. friend spoke of was in the same town. Lunenburg in prosecuting the fisheries has been able to keep up shipbuilding as an efficient industry without

getting government aid. The shipyard in my town is now busy on private work and it is not looking to the government for work at the present time. Does the hon. member know that the government of Nova Scotia in the last year had the biggest surplus in its history? No business in Nova Scotia? This week-end I went to Toronto and was the guest of a man who is the head of a national industry with branches all across Canada, and he told me that Nova Scotia in the last two years has the best percentage of increase of any part of Canada. Business has increased twenty per cent in the last year. Surely that is not bad. Coming along in the train, I was talking to the conductor; the train was late, and he said, "Ah, well it is pretty hard to be on time"; between Moncton and Truro—I think it is about 120 miles—there are 27½ miles of cars either rolling or on sidings. That looks like good business in Nova Scotia.

To-day Halifax is the greatest maritime port in America, perhaps in the world. The population has greatly increased. Halifax has the greatest war activity of any part of this country. It is the centre of the shipping of the world. It has one of the finest harbours in the world, and if I could go into detail—which I shall not on account of giving too much information about the war—I could amaze the committee regarding what is going on in Halifax.

In Nova Scotia we have concentrations of troops and extensive military camps that create a good deal of business. We have many air fields. At Sydney there are the great steel works, also steel works at Trenton, engaged in war industry, and all in all the province of Nova Scotia is receiving some benefit from this artificial war-time prosperity. There are poor spots in the province, for instance, the Annapolis valley where the apple-growing industry is a war casualty, but the government has appropriated $2,500,000 to relieve this situation. While we in Nova Scotia are an aggressive people and want things for the province, I do not like to come here and tell this committee that we are an inferior people, not able to look after ourselves and not willing to take our part as citizens of Canada.

Let me now say a word about shipbuilding. In the Sirois report one will find as good an historical record of the early days in Nova Scotia as one will find anywhere. It is splendidly written and contains a great deal of information. They refer to our conditions in Nova Scotia years ago as the economy of wind, wood and water. That is, we had the wood to build the ships, nature provided the wind to sail them—

Some hon. MEMBERS: Oh, oh.

Mr. KINLEY: —and the ocean was the road they travelled to every country in the world, to bring back the products of all quarters of the world, that brought prosperity and made life so pleasant in Nova Scotia. The days of the wooden ships were Nova Scotia's halcyon days. Nova Scotia ranked fourth in the world in shipping; it had more ships upon the seas per capita than any other country in the world. In those days the wooden sailing ship was the world's best method of ocean transportation, and Nova Scotian ships were the best. By its shipping Nova Scotia developed banks and allied industries; it had an economy that was almost perfect, and everyone now speaks of those days as the great days of Nova Scotia. But as the day of the wooden ship began to pass, Nova Scotia began to slip and they have blamed it on confederation ever since.

The wooden ship has survived in the fishing industry because in the smaller units wooden ships have advantages over the steel ship. The wooden ship is not a conductor of heat and cold and will be freer from ice. It is better for coastal navigation because if it runs into the shore it is not apt to be damaged so much, and it is cheaper. Therefore, in the smaller units the wooden ship has advantages over the steel ship. I am told also that it has an advantage with regard to the magnetic mine.

Some years ago we thought the fishing industry was doomed because the wooden sailing ship was beginning to be a thing of the past. But then came the diesel engine which has revived wooden ships, making the small wooden ship an economic unit, cheaper and I think for some purposes better than a steel ship. What the government is trying to build to-day in Nova Scotia are small wooden ships, most of them propelled by diesel engines; they are good; they are economical and, when the war is over, there will not be as much to scrap as with a steel ship.

We are having some difficulty about getting a full effort on wooden ships at present. Shipbuilding had gone down. The yards were more or less in a state of decay. To start building wooden ships at this time is a hazardous business. A man knows that, when the war is over, whatever he has invested is a total loss. Therefore, to put money into wooden shipbuilding to-day, with the income tax situation as it is whereby he is allowed to earn only about ten per cent a year and can only expect to go two or three years, is

not justified from a financial point of view. But there is provision in the income tax act whereby a man in a business of this kind can get a special depreciation allowance, and that might be the salvation of the wooden shipbuilders.

Some of the men who are in this business are short of capital. There are many good artisans in Nova Scotia who have men who can build ships, but they are short of funds. When we see the hundreds of millions of dollars that have been lent to industries in upper Canada, surely these builders of small wooden ships might very well be helped over the hurdle. They are going to produce a ship for you; their security is good. That situation does not prevail in my own county, but I know that it does prevail in other parts of Nova Scotia.

We should do some missionary work in this connection. These men are frightened by the specifications. The departmental officers have naval specifications obtained from England, where in days of peace they brought teak-wood from the east, and there are other points that do not apply to this country at all. These officers go to a builder in Nova Scotia, a man who is not experienced in business but who is a good ship carpenter. They say to him, "You must have this ship finished in a certain time." Well, he gets scared at once. Then they come along with a great long specification, made out for the purpose of protecting officials, and they say the ship must be built to that specification.

I know that at the present time ships are being held up because they demand keels of oak larger than we grow in the maritime provinces. A birch keel is just as good under present circumstances. The shipbuilders tell them that, but the officials do not like to change. Then they demand teak-wood in the superstructure. Teak is a very expensive wood, while the spruce we have in Nova Scotia is tough and just as good for their purpose under present conditions. I do not know why they quibble over these details instead of going ahead man fashion with the building of these wooden ships; it is hard to understand. It simply means that officialdom is protecting itself instead of going ahead and doing those things necessary in the interests of the country.

Mr. HANSON (Skeena): They even want copper rivets in the life-boats.

Mr. KINLEY: Canada is not marine minded. Once we had a man who was marine minded, who had vision. They said he was extravagant, but whatever else might be said of him at least he had vision. I refer to Sir Henry Thornton, who put Canada into the business of carrying on ocean trade. He had a fleet of ships that carried Canada's products all over the world, to Australia, the West Indies and elsewhere. For years those ships showed a deficit. He put them on at a time when the wooden ship was passing out, and there was some criticism because it was felt that he was perhaps shoving the wooden ship out a little faster than it should go, but still it was a step forward. It was progress in ocean-going traffic, and for years these ships carried on until finally they got out of the red and showed a profit. Then we had a railway problem in this country. The railway was hopelessly in debt; between 1930 and 1935 we had hard times in Canada, and the government sold anything they could in order to realize some ready money. So they conceived the idea of selling these ocean going ships, the only part of the Canadian National system that anyone would buy. They sold these ships in order to realize a little money with which to make the railway situation look better.

If these ships had been retained they would have been worth a great deal to-day; as a matter of fact, they went up in value very soon after they were sold. Most of the ships were taken over by English shipping companies. When we speak of vision, what sort of progressive country is it whose efforts stop at the shore? No country ever became great without having commerce upon the sea, and Canada should have a great overseas trade. These boats did the missionary work, and do not forget that when your products go to a foreign country in your own ships you can control the freight rates. As soon as these ships were bought by the shipping ring the freights went up. No private industry in this country can compete with the shipping ring; it requires a government for that. The ring watched the situation closely, and as soon as they could do so they bought our ships. Then, when we wished to send our goods to foreign countries under such conditions that we could overcome the tariffs and other obstacles facing us, we found that one of the most necessary facilities for the transport of our goods was in other hands, and Canada's effort was circumscribed by the freight rates charged by other people.

It was a mistake to sell Canada's merchant marine. The greatness of Nova Scotia came from the sea, and Nova Scotia never will become great again except through service on the sea. Our merchant ships, although they were not built in Nova Scotia, were important to my province because Nova Scotia crews could man them; our young

men could become seamen, and that is the activity we desire in that province. To-day many of our young men are in the navy.

Therefore I say, in later years there has been no incentive to build ships in Nova Scotia. The government did not want ships; the minister told us that England could build ships much more cheaply than we could. I recall that concurrently with the signing of the statute of Westminster, there was passed the merchant shipping agreement, which left our coastal shipping open to practically the whole world, with no protection for our own nationals. Why, even the great United States below us, with a wealth of shipping, restricts her coastal trade to her own ships. I am not going to blame any government for disposing of these merchant ships, although I believe they were sold before this government came to power. I believe it was felt that this would bring in some easy money to help out the national economy.

I have said that this is the time for a revival. I believe we should now press forward and, even though the wooden ship is passing away, we should be building iron ships at tide-water in the province of Nova Scotia. The other day I read an editorial in the Montreal *Gazette,* commenting upon the fact that someone had intimated that iron ships should be built on the great lakes. There is no doubt that this would have certain advantages, principally cheap power. All the rain that falls in western Canada comes down the great lakes and through the Niagara gorge, and because of that act of God we have cheap power in this part of Canada. But it must be remembered that central Canada is frozen up for six months of the year, and it must be remembered also that our canal system connecting the great lakes and the St. Lawrence is extremely vulnerable in war time. If you destroy one part of it you cripple the whole structure. In Nova Scotia, while we are on the Atlantic coast, I think we are much more protected from the point of view of shipbuilding.

There is still plenty of labour in the maritime provinces. A few months ago a man came into my office seeking men to go to Montreal to build boats. There was quite a little excitement in Nova Scotia with regard to this man coaxing people to go to Montreal to build ships. I said, "If the men are not employed you cannot complain, because they should be employed. If they are employed in building ships, the order in council will not permit him to take them away, so we have not very much room for complaint." There is no reason, however, why we should not be busy in Nova Scotia by the construction of wooden ships for a few years to come. But when this war is over, let us be building iron ships in Nova Scotia.

When I hear about spending money to help stimulate industry in other parts of Canada, I think we are justified in asking that in the maritimes we should have some stimulation and help from the government of Canada in a scientific, and perhaps in a financial way. Let us have this help to establish shipbuilding plants, so that Nova Scotia again may seek the destiny which should be hers in Canada, namely, that of a truly maritime people.

Mr. ROY: Mr. Chairman, it is after some hesitation I rise to take part in the debate. Hon. members will recall the speech delivered on December 3, by the Minister of Justice (Mr. Lapointe), following my address on the same day. In his observations the right hon. gentleman said that I was not speaking for the county of Gaspé because I had been elected by grace of a minority vote. The other day the hon. member for Pontiac (Mr. McDonald) in his turn reproached me because of circumstances which had brought about my election.

You may understand, Mr. Chairman, my hesitation. However, I took the trouble to make an incursion into that precious source of information concerning the political performances of hon. members in this august house. I refer to the Parliamentary Guide. It seemed only proper to begin my study of the results of the last general election with a survey of what happened in the constituency contested by the revered leader of this chamber, the Prime Minister (Mr. Mackenzie King). This is what I find at page 319 under the heading "Prince Albert, Saskatchewan":

General election 1940:

King (L)	8,310
Manville (NU)	7,534
Strelive (CCF)	1,993
Campbell (Comm)	243

These figures indicate that the Prime Minister of Canada was elected by grace of a minority vote of 1,460. I deemed it unnecessary, therefore, to carry my incursion further. I was satisfied to be in the category with the Prime Minister, even if we were only two of a kind.

I am sorry the Prime Minister and the Minister of Justice are not at the moment in their seats. I sincerely hope the Prime Minister has not found too bitter the judgment given on the weakness of our mandates by that great specialist in the art of making statements who sits at his side as his right arm and closest friend. I am sure no one would dispute my right to speak in the house

on behalf of the electors of Gaspe, and of a large number of those in Quebec who by their votes opposed the government.

The shock caused by the speech of the Minister of Finance (Mr. Ilsley) when introducing his war appropriation bill of tremendous proportions, to which measure we are asked to give our approval, has occasioned many interesting speeches in the house, and has revived in the press and throughout the country the campaign toward the formation of a non-partisan cabinet, or a so-called national or union government. In his courageous speech of February 21 the hon. member for Témiscouata (Mr. Pouliot), denounced in no uncertain way some newspapers of his own party. He made a vigorous attack on three members of the cabinet, namely the Minister of National Defence (Mr. Ralston), the Minister of Munitions and Supply (Mr. Howe), and the Minister of Mines and Resources (Mr. Crerar), a unionist of 1917, charging them with being party to the scheme to form a union cabinet.

If one does not ignore the fact that the Liberal government has 185 followers out of a house of 245, and an absolute majority of 125, it follows that a union cabinet cannot be substituted for the present administration unless pressure comes from within its own ranks.

It so happens that a great number of believers in such form of government are found in the very midst of the Liberal party, with the support of the most influential English Liberal newspapers which, during the election campaign of 1940, were vigorously opposing the principle of national government as advocated then by Hon. Doctor Manion. May I mention here that at a certain conference the Prime Minister, according to a report published by the British *United Press,* threatened to resign if the lack of confidence persisted.

Moreover, following the hon. member for Témiscouata, the Minister of Justice, speaking in the house on February 24, said, as reported at page 962 of *Hansard:*

> I do not feel that I could sit in such a government if I were asked to do so and represent my province.

If one compares this statement with the minister's past declarations, he will observe that the minister does not now say that he would fight such a government. Why this sudden neutrality? Since the formation of national government or its equivalent is inevitable—I dare say we will have it within six months—the Minister of Justice is simply preparing his way out. He brandishes before the population of his province this scarecrow of union government, but he refrains from telling the dangers against which he was prone to warn us.

What are these dangers? Could it be the danger of the St. Lawrence waterway project? That danger has disappeared, and cannot, because it is almost a *fait accompli,* be expected from a union government. Is it the danger of sabotage of provincial autonomy through the adoption by a union government of the recommendations of the Sirois report? If the dominion-provincial conference failed, surely no credit for this failure can be given to the present government; and the danger is not removed if this government is kept in office.

Could it be the danger of unification of railways? The hon. member for Témiscouata gave a pertinent answer to that when he pointed to the special appropriation of $400,000,000 to be provided for later, to redeem Canadian securities held in England. The Minister of Justice abstains—and the purpose is clear—to mention any of these things he said in the past would come about under a union government.

In this respect, let me quote again his own words. He said:

> This mere mention of the name "Union government" brings forth painful memories which it is almost a crime to resurrect at this time.

Here, if I may, I wish to extend to the hon. Minister of Mines and Resources my most sincere sympathy for having received such a hard blow.

What are these things? First, there is the expeditionary force overseas. Three army divisions have already left our shores, and more are to follow. Then there is the national registration. The Houde incident reminds us that we have had it. Then follows conscription. We have had it, too; and I submit that the act providing for the present mobilization of men and resources far exceeds anything done by the union government of 1917. Extravagant expenses? We have a war emergency appropriation of $1,300,000,000, with other commitments foreseen by the Minister of Finance (Mr. Ilsley) in the budget to be submitted. This will make an approximate total of $2,500,000,000. This parliament will have provided since July, 1940, the unbelievable sum of $4,000,000,000. It is proper here to insist on the fact that, contrary to the usual procedure, we are now having two of these heavy budgets yearly. No one dares to inquire as to the size of the national debt because we all dread the answer. Even before the Minister of Finance submits his budget, our taxes have reached almost the point of saturation.

We have had war profiteering and squandering. The people are alarmed and their suspicions are aroused by the government's refusal to allow a public investigation into these vast expenditures. This short analysis brings one to the conclusion that no other government, no matter by what name it might be called, could have gone further. Even with all his eloquence, the Minister of Justice cannot make us forget that. We realize fully that a free, voluntary and moderate war is much more expensive than an ordinary war.

Let me tell the committee the minister's reasons for his pretence of opposition to a union cabinet. They are threefold. The first is that the phantom of union government conveniently serves the minister as a reason for retiring from public life. He knows full well that he cannot hold out any longer against public opinion in his province, nor can he escape the judgment of the trend of events which are turning against him.

The second reason is the fact that a union government would take away from the Liberal party the precious benefits deriving from the exclusive control by the party of radio, the bureau of information and censorship. It would prevent the government from extending its patronage to a certain press in exchange for the praise now showered on the Liberal party. It would put a stop to scandalous patronage in the granting of contracts of all sorts and on such a large scale.

The third reason is: In recalling the union government of 1917—that is the crime, to use the expression of the Minister of Justice—the Liberal party of Quebec is trying to shirk its responsibility. In the face of the inevitable result of their own acts they are preparing to throw the blame upon a union government which they would have themselves already created. In other words, by exploiting the prejudices of 1917 they expect to make the people forget their broken promises and engagements. These are the three true reasons why the Minister of Justice says that he will never be a member of a union government.

The newspapers of the country are justified in trying to end the squandering which shocks public opinion and which is the result of patronage running wild in the granting of war contracts and the distributing of subsidies to jobbers.

Mr. DUPUIS: To Tories.

Mr. ROY: I think the Tories are more sincere and logical than the Liberals from Quebec have ever been.

If we keep in mind the supreme object of our war effort, from the state of affairs I have described comes the suggestion of a cabinet so constituted that it would stop leakages, prevent ruin and ensure a judicious spending of the huge sums which are being exacted from our people for the defence of democracy and liberty. The incompetency and inefficiency of the present government in making good use of public funds are so obvious that I would welcome any change did it not imply the abandoning of the principle of responsible government, the very foundation of the political doctrine we are defending.

Furthermore, it is only right that the party which declared war should see it through and should not be relieved of any of its responsibilities. A few months ago it received a renewal of the expression of confidence of the people, which at the same time was a disavowal of that form of national government. Although the so called King-Lapointe government had never bothered much over whether it had a mandate, had respected or disregarded it, I agree with the Minister of Justice when he says that on account of the unequivocal answer it received to its appeal from the people, the government cannot run away from its responsibilities by consenting to form a union government. However, I condemn the attempt of the Minister of Justice to predispose the province of Quebec against that form of government which may come before long. These tactics of his are dangerous and are bound to destroy national unity. In doing this, the minister who likes to pose as a good apostle of bonne entente and unity is really not giving a good example. This is not the first time this has occurred. Let me quote another instance. During the discussion on national unity on December 3, the Minister of Justice said:

> I am not saying anything against Conservatives in the province of Quebec. Heaven knows I would not do that, because they voted for us. They were ashamed of those who were opposing us. That is the reason why my hon. friend, alone, of his clan, is here in the house to-night.

Some hon. MEMBERS: Hear, hear.

Mr. ROY: As the Minister of Agriculture and Minister of National War Services (Mr. Gardiner) and the Prime Minister are in the same position, hon. members should not say "hear, hear" too loudly.

Mr. GARDINER: Conservatives voted for me.

Mr. ROY: Since this declaration of the Minister of Justice is injurious and libellous for all the candidates in the last election who opposed Liberals, I ask him to state in what respect gentlemen like Messrs. Dupre, White, Larue, Cahan, Turgeon, Duguay, Robinson and all the others are unworthy and dishonourable and why their

compatriots should be ashamed of them. Such insults ought never to come from the lips of a man who pretends to be a statesman and the champion of national unity.

Yet there is one statement of the right hon. gentleman that I wish to commend. I realize that the first condition to Canada's unity and happiness is the respect of one for another. Speaking of those in one province who stir up ill feelings against their compatriots in other provinces, the Minister of Justice said on February 24:

> I pledge myself to employ the years which remain to me in fighting any diabolical conspiracy of malicious, narrow and despicable microbes, whenever and wherever they may be found, in order that they may not defile the work of beauty that is Canada.

May I ask, Mr. Chairman, if those, whoever they may be, who throw insults at their political opponents, respectable, distinguished and loyal citizens, belong to that category of common microbes?

Mr. DUPUIS: Does the hon. member take that category for himself?

Mr. ROY: The hon. member should know who I mean.

Mr. REID: We have listened this evening to considerable discussion with regard to shipbuilding. After sitting here all evening I can quite agree with a remark made in a speech over the radio yesterday by, I believe it was, Mr. Bird, of the Winnipeg *Tribune,* that the people of the United States were more alive to the fact that there are two oceans, the Pacific and the Atlantic, than were the people of Canada. In an endeavour to bring an important phase of this subject before the government and other hon. members, I wish for a moment to speak about the Pacific ocean and British Columbia.

Sometimes I think that we of the Pacific province are so far away that if we were attacked from the sea it would create no more concern around the city of Ottawa and elsewhere in the east than if the attack were upon Norway or Timbuctoo. When I heard the leader of the opposition, speaking on behalf of his province, mentioning that ships had been built there of four and five thousand tons, I could not but remark to myself, why are we in British Columbia being neglected when we can build and have built ships there up to 12,000 tons? It may be that during the last war we built ships somewhat hastily, but I agree with the hon. member for Queens-Lunenburg (Mr. Kinley) in deprecating the sale, prior to the war, of our Canadian National vessels, which at the present time would come in very handily and serve a most useful purpose.

In the last war we did not commence to build ships until 1917, but during the brief remaining war years we constructed in British Columbia something like 135 ships representing a total programme of between 80 and 88 million dollars. It can readily be understood, therefore, that the people of that province are wondering what has happened during this war, when most of the orders for ships have been placed in eastern provinces.

We must take note of both coasts, but I want to touch for a moment to-night on a larger aspect of the subject which was only briefly mentioned by the hon. member for Queens-Lunenburg; that is, the fact that this country of ours is more dependent than any other nation on her export trade by water. Before coming down this evening I looked up some statistics, and it may astonish many hon. members, as it surprised me, that over 60 per cent of Canada's export trade is carried on sea-going vessels; yet to-day and for some years past, Canadian traders who wished to send products abroad must perforce charter ships belonging to foreign nations, and not those of Canada itself.

I am going to leave with the Minister of Finance (Mr. Ilsley), who, I am glad to see, is in his place to-night, one thought with particular relation to foreign exchange, and I believe I cannot do better than cite what is taking place at the present time as regards shipping on the Pacific coast. We have developed considerable trade with south Africa. Ships running there from the Pacific coast of British Columbia make something like four trips a year. For each trip those vessels take, in freight charges alone, some $200,000, all of which must be paid for in United States funds. I am told on fairly reliable authority that all the costs of our freight on ocean-going ships to-day have to be paid in United States funds. That, it seems to me, is a great loss, and indicates that we are not taking the broad view that we as a nation should with such a gigantic export trade. Sixty per cent of our export trade represents in value well over 600 million dollars' worth of freight a year by water; yet to-day there is not one Canadian ship carrying that freight. Our merchants have to make bargains and charter vessels under foreign flags.

The hon. member for Queens-Lunenburg spoke about the extra added costs. Not long ago we in British Columbia had an example of the control exercised by foreign shipping boards. The poultry producers of British Columbia wanted to ship eggs from that

province to Great Britain via the Panama canal. Looking around for ships to carry those eggs, they found a vessel of Norwegian ownership which was willing to take the eggs for about $1.85 per hundred pounds. Immediately the "shipping combine" shall I call it, with headquarters at San Francisco, notified the owners of that Norwegian vessel that they would not be allowed to take the eggs at the freight cost they had quoted; that their charges would have to be something like $2.85 per hundred pounds instead of $1.85. Naturally we lost that order for eggs. The merchants and the shippers of this country are in the hands of foreign shipping combines and so have to pay a great additional charge for the carriage of our products to countries overseas.

I fear that, as time goes on, the scarcity of shipping will greatly cripple our trade. Only a short time ago, I understand, the British government requisitioned for her purposes a considerable number of merchant ships which would ordinarily be used in the Canadian trade.

I hope that members of the government, and particularly the Minister of Finance, will view this matter from the broad angle of making this country of ours a maritime nation, not forgetting that we have two oceans, the Pacific as well as the Atlantic. I sometimes think that even in matters of defence we are somewhat like the French, who relied entirely on the Maginot line, forgetting that there were other ways of entering their country and that they should be guarded. The United States is spending hundreds of millions of dollars south from the tip of Alaska, and I do not believe that we are spending as much as we should.

Before I resume my seat I will mention just one other matter which came up in the course of the debate this afternoon. It was referred to by two other hon. members, one of the Social Credit group and one connected with the Cooperative Commonwealth Federation. They were recommending to the Minister of National War Services (Mr. Gardiner) that the forthcoming census be taken on the same basis as that of the national registration, and I gathered the inference was intended that the national registration, done as a voluntary effort—and a splendid effort it was—was done without cost to the government of Canada. If I am wrong in that I am sorry, but that is the impression I got. I find, from looking up the figures, that the cost of the registration will astound even some members who, I know, when speaking privately, express the belief that the national registration last year cost this country but very little, if anything.

Mr. NICHOLSON: The hon. member for Weyburn (Mr. Douglas) is not here, but I understood him to say that the national registration cost $900,000. He was aware that it cost a considerable amount.

Mr. REID: If we are to do the work on a voluntary basis, then I suggest that it should be entirely voluntary, involving no cost whatsoever. I know that in my riding—and I suppose other members have had the same experience—there were certain groups who, when the proposal was made to them with regard to assisting, suggested that they be paid for the work called for. The result was that payment was made in one quarter of the riding, while work was done voluntarily in other parts of the constituency, and I know from experience that this gave rise to a great deal of criticism after the registration was finished. I am one of those who believe that if you are going to have the work carried out voluntarily, then the whole thing should be on a voluntary basis. But if you pay some, then you should pay all. I am expressing the feelings of many people in my own constituency, after the experience with the national registration of last year.

Just one word further and I will resume my seat. I have heard it stated on many occasions, and I have heard it again tonight, that there has been political patronage in the matter of contracts. Hon. members who rise in their places and make such statements should be prepared on their word as members of parliament to lay a definite charge or to make a definite statement as to political patronage. I say that in all seriousness. I have heard it time and again, and I know that the inference has gone abroad throughout the country that the government is ladling out political patronage in the face of a very serious crisis of war. I believe every member on this side of the house can say that we are finding it almost a detriment to be on the government side so far as making any approach is concerned, and I can say in all seriousness, from experience, that I have never made a statement on the floor of the house since I came here in 1930 which I was not prepared to substantiate, by naming the particular case. I do not think hon. members should rise in their places and say that the government is handing out political patronage, contracts and positions, for I maintain it is not. I can go further. I do not want to have to do this, but I could do it if called upon. A survey of all appointments which have been made, either in a military way or in connection with the war effort, would show, I believe, a great

preponderance of those belonging to the Conservative party. I say that in no mean sense for why should they not be called upon to help with the war effort? But I say, in order to controvert statements which some hon. members have been endeavouring to put over, that appointments are not political and that contracts are not being handed out to political favourites.

Mr. HARRIS (Danforth): I should like to make one or two observations in view of the fact that there has come to our desks to-day correspondence marked "urgent." Before doing so, however, might I refer for a moment to the observations of the hon. member for New Westminster (Mr. Reid) with reference to the taking of the census. Is it really so urgent now that war is on? If the national registration did cost money, and if on the other hand we are resolved among ourselves that we will do away with the census for the time being, then it would not cost us anything. At least we would save the cost of taking the census.

After all, what is the census and what is its relationship to affairs as we find them in Canada? The Minister of National Defence (Mr. Ralston) could tell us how many hundred thousand men are overseas. Will that fact obtain five years hence? We had a census ten years ago. What figures did we use during the interim, in the last ten years? We arrived at our statistics by addition and deduction, and we felt we were reasonably accurate. We have an efficient bureau of statistics, which has received the compliments of similar bureaux the world over, and that department gives us accurate figures. If that is so, if it has been so for the last three or four decades, will not the same condition obtain until such time as this war is over? And would not those figures arrived at in that manner be just as accurate as the figures obtained by a census, should we take one at this time, in view of the ebb and flow of our man-power not only as far as our men going overseas are concerned but internally as well. There is a change in vocation of men and women into different kinds of work, moving from one point to another. City dwellers were asked whether they could milk a cow, and some will go and milk cows; but many more will see these advertisements that the Minister of Munitions and Supply (Mr. Howe) spoke of to-night asking for shipbuilders in the maritime ports, and many will leave the farm. Where will the census be, then, from the point of view of accuracy, in the course of another year or two?

Let us save this $3,000,000, I say to the hon. member for New Westminster. Let that provide 120 Spitfires; let us rely on our efficient bureau of statistics to give us the statistics we require by addition and deduction; and then, for the man-power we need, let us study the reports that have been tabled by the Minister of National War Services (Mr. Gardiner) and find out where the required artisans are and what is being done so far as their activities are concerned. In the national registration, I say to the Minister of National War Services, we have valuable and vital information. We have that now. Some of the other information we get in a census is only comparative, but comparisons do not hold any longer, because the scene has changed fast since war was declared, and will change much faster while the war is on, from now on, so much so that I am of opinion that it is impracticable, over and above the question of economy, for us to take a census until the Canadian and the world situation settles down a little more than the position of things to-day indicates.

I wanted to say a word or two with regard to the observations of the Minister of Munitions and Supply in connection with shipbuilding. Frankly, I was shocked when I came into the chamber this evening and heard the minister say that the twenty-four hour day has not been employed by artisans in the building of ships since the war started. Not a week goes by when the press does not remind us that Britain's tonnage is some 18,000,000, and that from three to four million tons each year are lost. Indeed, the question is, in view of the strong enemy submarine campaign that is being carried on, how long can we keep up a supply to replace those ships that are being lost? Britain is doing a wonderful shipbuilding work, and has more shipping on the high seas to-day, I understand, than she had at the beginning of the war. But she will continue to do this great work only as we in Canada, Australia and New Zealand, helped by the lease-lend bill which I am happy to know has passed the United States congress, replenish and help her to keep that dominant position which she has had for so many years.

Comparisons are not welcomed by the minister, but I think of that island outside Sydney, Australia, with a six-inch air pipeline twenty miles long all round it with air pressure on ready to serve that greatest of dockyards and shipbuilding yards south of the equator, operated under the direction of the commonwealth of Australia, turning out not only merchantmen that we are speaking about to-night but destroyers, and I think I am right in saying cruisers, as well as aeroplanes, and the men of Australia schooled to take their place in the shipyards doing a real job of work on behalf of the British empire at this time. Where are our schools? Where

have they been these last five years, that should have been training young men from the farms in the art of shipbuilding?

I had the pleasure of riding into Ottawa to-night with a gentleman who left California last night at nine o'clock, and landed in Ottawa to-night at eight-thirty. He knows the aeroplane industry in California and the conditions in it. Are they closing aeroplane factories at eleven o'clock at night, as I heard the minister say they have been closing the shipyards because personnel to keep up three shifts was not readily available? No. His deposition to me within the last two hours, coming in on the plane, was that they are working twenty-four hours a day seven days a week. And the personnel is being supplemented by young men trained within the last three years in schools so that the aeroplane business can carry on. I do not use that illustration of what is going on in a country that is not a belligerent as showing that they are any better than we are; there are no better people in any line of business than the Canadians. The Minister of Munitions and Supply was told by the hon. member for Queens-Lunenburg (Mr. Kinley) that he had the blood of a Howe. The Canadian people have the blood and brawn. The hon. member who just took his seat said that in that chart laid on the table here last week by the minister we had a great number of men who were Conservative in thought, and I notice quite a number who are Liberal in thought, but whether they be Liberal or Conservative we have in Canada the brains to do this work. So we have the four Bs, the brains, the brawn, the blood and the bone. Let us then get on with the job.

I do not make this next statement in too critical a sense, but if the administration as at present composed cannot take hold of these virtues of the Canadian people and the great desire in the heart of Canadians to do everything they possibly can in an all-out war effort, then they should sit down round the table and search their hearts in order to see why it was necessary for the Minister of National War Services to rise in his place and say, with regard to the census, "It is not my department; that belongs to the Minister of Trade and Commerce and I do not know about it." Why should this debate go on the way it is doing?

Mr. CRERAR: Hear, hear.

Mr. HARRIS (Danforth): The hon. Minister of Mines and Resources says, "hear, hear." In that regard I will not take lying down any criticism with regard to holding up this debate. Forty hon. members have risen since the Minister of Finance (Mr. Ilsley) gave any sort of a summary of what this vote is about. Even one of his own colleagues who, I understand, should come after him, intervened in the debate; I refer to the Minister of National War Services, the minister of a much junior department and certainly of a much lesser category in respect of the money being spent. His statement came in advance of that of the minister charged with the responsibility of this vote of $1,300,000,000. I should like to have heard, before I participated in the debate, a great deal more from the Minister of Finance. True, he said this should be a matter of question and answer to give him an opportunity to discuss the matter. But when one of his own colleagues rises ahead of him and sets out in detail what he has in mind, and another minister, the Minister of Munitions and Supply, takes the brunt of the debate, what runs through the minds of those of us who have been observing the panorama here for a couple of decades is that it is all lopsided; we seem to be out of order in dealing with this bill.

Another matter which is brought to our attention to-day and which, to my mind, should be at the bottom of the list although it is nevertheless important, is the national salvage campaign. Inasmuch as I have only a few minutes left, I shall reserve my other remarks to another occasion and place a few suggestions on the record with regard to this urgent circular which has just come to our desks. It urges us to think nationally. Of course we should do so, and most of us do. It says we should talk scrap, find scrap, get scrap, help win the scrap and so on. They go on to say that they are going to have a national outdoor billboard appeal, a national newspaper advertising appeal, a supply of leaflets for distribution—

Mr. HOMUTH: More waste of money.

Mr. HARRIS (Danforth): Yes, a waste of money—a supply of posters for display by local committees, a selection of mats, newspaper advertisements, et cetera, all available in English and French. There is still time to do what I am going to suggest, but the time is short. First, I make a general observation, that the cart is before the horse in this campaign. Large municipalities are not headed up with the municipality taking charge. The only way that those in the large centres of population can handle salvage properly is by having the municipality take the leadership and the responsibility for the campaign; then let your propaganda come behind them when they are organized and ready. I will give an instance before I finish. When they are ready, let this propaganda come along and let all these public-minded

bodies of citizens who are so anxious to do something, such as the daughters of the empire, the local council of women, the veterans' organizations, and so on, across Canada, not do the actual work, which belongs to the street-cleaning departments in large cities, and the health departments in other cities, but urge the citizens to salvage the waste.

An hon. MEMBER: You should qualify for that.

Mr. HARRIS (Danforth): I can qualify; and, if necessary, I could call a witness to that effect. Let them be properly organized before this propaganda goes out.

I said I would cite an example; that was why I was anxious to take part in this debate to-night. In Toronto we have a very fine body known as the local council of women, who are anxious to help with this work. One gentleman gave them office space; another firm paid for the four or five telephones they had installed. These women, who are familiar with every neighbourhood, set themselves up in their office and received telephone calls from thousands of home owners. But they had no direction. Can hon. members not see how ineffectual it was for them to attempt to operate without some direct contact with the municipality beyond the mayor and board of control saying, "Yes, ladies, we will help you in every possible way. What do you want?" Should the direction come from organizations that are not quite sure of what they want, or should it come from the government to the municipality and then to the organizations?

Before going on with that, let me state what actually happened. Hundreds, yes and thousands of telephone calls were received. The ladies were asked to go to the far end of the city to pick up an old fur coat; they were asked to go somewhere else to pick up a brass ornament, and so on. They hired trucks, picked up all sorts of material, put it in a shed and sorted it. No one knew exactly what they had; no one knew just what to do with it. Another call came in to pick up papers in another section of the city, and one of the girls who were volunteering to drive the trucks, which were hired at so much a day, went to the address and found fifty pounds of old papers. They were brought to the shed, which has been made available by the Toronto transportation commission, and thrown into a corner with other old papers. Then a dealer comes along and offers $3 a ton for everything in that corner, which cost $10 a ton to collect. In this regard I should like to pay tribute to the International Harvester company of Hamilton, which lent a truck for three months.

All through this recital I want to pay tribute to the women who are trying to carry on this work. Their services should be used to encourage people to support this campaign, even as this pamphlet is used for the same purpose; but those who should be charged with the responsibility of doing the actual work are the departments of street-cleaning, which have all the necessary equipment available. How can that be done? In the city of Toronto there are sometimes two hundred trucks on the streets making collections. It would not be difficult for these trucks to carry various receptacles, one for paper, another for scrapiron, another for bones, and so on. The balance of their loads would be taken to the incinerator or the dump, as the case might be, and these receptacles could be taken to the city yard. Then these various commodities could be contracted for and picked up in loads or by the ton, and in that way the work could be made to pay. I think I have made that point clear.

How are we going to take advantage of the enthusiasm of these women to see that this job is done? This is my suggestion: zone the city. Let the women sit in their office, use the telephone and see to it that all the people in a certain zone are apprised of the fact that collections will be made the following day, and that they will be expected to put their paper in the paper receptacle, their iron in the iron receptacle, their bones in the bone receptacle, and so on. Then, when the collection is made, there will be no delay.

Following that a little further, hon. members must remember that the women who do this work, whether through the local council of women, the daughters of the empire or any other organization, want to get credit for it. Give them that credit. It is a small concession to make in return for the work they will do. They do not want money; they simply want some recognition of the energy and enthusiasm they are putting into this work. I am sorry the Minister of National War Services (Mr. Gardiner) is not in his place, but no doubt he will be made aware of what I have said. I suggest that he get in touch with the heads of municipalities at once. In the larger centres do not ask our public spirited men and women to become collectors of rags, bones, bottles, scrap, and so on, at a collection cost far in excess of the value of the material. So much for the situation as far as Toronto is concerned.

I should like to make another observation with regard to the whole country. The great difficulty across Canada is that commodity freight rates are not available on the commodities being collected in order to bring them to the point of consumption. Some fifteen

or sixteen years ago there were commodity freight rates which permitted the movement of many low priced commodities, particularly from the western prairies, to the centres of consumption in Ontario, and that applied also to the products of the maritime provinces. That situation, however, does not exist to-day, and that is one of the difficulties which must be overcome.

Before resuming my seat, I should like to make one further observation. I think the Minister of Finance has an idea of my views in this matter, which he may convey to the cabinet. The matter of salvage in Canada has to do not only with the civilian population but also with every industry. After all, if industry could cash in on its by-products, very few balance sheets would have red figures. What applies in business also applies to this expenditure of $1,300,000,000. In the organization chart which was given us by the Minister of Munitions and Supply, I looked in vain for any individual charged with the responsibility of looking after the by-products of the industries which are spending this great amount of money. When I think of cost-plus contracts on clothing, shells and what-not, I wonder who is looking after the by-products of those industries; I wonder who is looking after the salvage of scrap metals, borings, scrap aluminum, scrap copper and all the other things coming back from those industries. I wonder whether the cost-plus basis for the sheet of metal which finds its way into an industry also applies when that sheet is punched out and the scrap is left over. I wonder whether we are getting for the Department of Munitions and Supply a full return of the money for the scrap which forms the by-product, coming back from the industry which made the expenditure of the government money in this vote. So much for that class of expenditure.

I come now to the Department of National Defence. I wonder whether the salvage branch of that department is coordinating its efforts with the Department of Finance as much as should be done. I believe, if I asked the Minister of National Defence (Mr. Ralston) or the Minister of Finance to make a statement, we would get the admission that there are some difficulties in connection with getting branches of the Department of National Defence to cooperate to the full in seeing to it that we receive returns from the by-products originating from the heavy expenditures in the Department of National Defence. The salvage branch of the defence department is necessarily a vital one, and what applies to that branch should apply to the whole organization.

To my mind, the revenue from salvage in the Department of National Defence must in its entirety find its way to the exchequer of Canada. I know that is being partly done now, and that it was not done at the time of the last war. I hope the degree of efficiency with which the work is being carried on—and I could elaborate at greater length on that point—has reached a fairly high percentage. But do we know? Is anyone charged with the responsibility of making sure that he knows? Is that person who is responsible definitely answerable to the Minister of Finance who, in the main, is responsible for all moneys coming to the Receiver General of Canada.

Has the Minister of National Defence broken down that right which the army assumes it has, namely, of assuming that what once comes to them is theirs? Is the revenue from by-products derived from stores of second-hand clothing, second-hand boots, shoes, metal, tanks and so on, the property of the unit involved? That condition obtained in England, and I say it should not obtain here. The revenue derived from that source running, as the minister will admit, to an amount of almost $1,000,000 a year, should find its way into the coffers of the Minister of Finance.

I am asking the committee to endorse the idea so that we may reinforce the Minister of National Defence and the Minister of Finance with our view that that which belongs to the government of Canada does not belong to an individual unit. What obtains in that particular should also obtain in connection with all manufacturers doing work for the government. Somewhere within the organization there should be someone coordinating these efforts. The Minister of National War Services should not be left to run his department all by himself, nor should the Minister of National Defence. What is needed to-day—and I am going to suggest it now—is a war-time prime minister who will more and more coordinate the efforts of these hard-working ministers in all departments of government.

Mr. CRUICKSHANK: It is now eleven o'clock.

The ACTING CHAIRMAN (Mr. Fournier, Hull): Not quite.

Mr. RALSTON: Perhaps I might take a minute or two to deal with the last remarks of my hon. friend. He appears to believe that the remedy for all this is a war-time prime minister to coordinate the work of the ministers.

Mr. HARRIS (Danforth): To see if we could not coordinate.

Mr. RALSTON: This gives me an opportunity just to mention to the committee—and I believe I can do so in two or three minutes—some points which, it seems to me, are not too well understood in the house. I refer to coordination of the war effort.

Let me say this: First, we have a war-time Prime Minister as president of the privy council and chairman of the war committee of the cabinet. On the war committee of the cabinet we have the ministers of the three defence services, the Minister of Munitions and Supply, the Minister of Finance, the Minister of Justice, the Minister of National War Services, the Minister of Mines and Resources, and the Hon. Senator Dandurand. That body is the body coordinating governmental effort in connection with this war.

May I just in a minute, if I can, indicate to the committee of the house how the committee to which I have referred operates. In the first place we have the three defence services. To some extent those three services are naturally competing in connection with their requirements. The army needs small arms ammunition; the navy needs small arms ammunition, and the air force needs it. So with uniforms, clothing, armaments—so with everything that goes to the fighting forces.

Mr. MacNICOL: But is the Minister of National Defence not the head of the three?

Mr. RALSTON: The Minister of National Defence, under the act, is in this position: It is provided that where a particular project affects more than one service the Minister of National Defence, in consultation with the minister or ministers of the other service or services concerned shall make a decision.

But suppose we have a situation wherein the three defence services are in competition. That is ironed out and coordinated first by an inter-service priorities committee. That is a committee composed of representatives of the staffs of the three services, which meets and functions and makes recommendations to the ministers.

The ministers meet in the defence council, which is composed of the three ministers, the three deputy ministers and three chiefs of staff. I do not think there is much difficulty about coordination of the work of the three services. That is one branch of the service. Next comes the ministry of munitions and supply. In munitions and supply you find the whole purchasing power, not of one service only, as in England, but of the three services—for the navy, the army and the air force. In England we find the minister of munitions and supply purchasing only for the army, and certain raw materials for the other services. The navy does its own purchasing, and the ministry of aircraft production does purchasing for the air ministry.

Coordination is effected in Canada by means of the Minister of Munitions and Supply, who not only purchases for all three Canadian defence services, but also purchases on British account as well. So he has in his charge the full range of the organization of industry in Canada to meet these combined requirements, and has the authority to deal with the raw materials which are needed in connection with that industry.

How is that dealt with? It is dealt with by means of controllers within the Department of Munitions and Supply. There are controllers for the various commodities, who with some controllers in the Department of Labour meet together and form a committee of controllers who coordinate the whole matter of supply and production of raw materials. That is the Department of Munitions and Supply. First we have the defence services; second, supplies, and then third, man-power is to be dealt with.

That is done in the Department of Labour where we have the labour coordination committee, a committee headed by the deputy minister of labour, and composed of representatives, first, of labour; second, of the national labour supply council, which is an advisory body, as everyone knows, representing industry and representing labour, a representative of the Department of National War Services and a representative of the defence services. That brings about a complete coordination and integration among the services in which man-power may be required.

Every demand which can be made upon man-power in Canada is looked into by the labour coordinating committee, and along with that is the national labour supply board, of which I spoke. In the result we have, first, the defence services; second, munitions and supply; third, labour; and, fourth, finance, all tying up in the war committee of the cabinet. With this tie-up in the war committee of the cabinet, headed by the war-time Prime Minister, the blueprint of the war effort of Canada is worked out to the

highest degree we possibly can; nobody claims perfection because the work to be done changes from day to day and almost from hour to hour.

Before this committee is through, I hope to be able to give hon. members some idea of how the army programme has worked out. My hon. friends of the other two services will give the same for the navy and air. In the war cabinet committee is also tied up the work of the joint defence board. I should have said that the Department of External Affairs is also represented on that committee by the Prime Minister. That department deals with Canada's affairs in so far as they relate to the United Kingdom and foreign countries. I think this is a fairly complete tie-up, a fairly complete integration, a fairly complete coordination of Canada's war effort under men who at least ought to know something about what is being discussed and who are able to bring to this problem first-hand knowledge of the difficulties, the needs and the requirements of the particular services they represent.

Mr. HOMUTH: The inspection departments are still under the three branches of the defence department.

Mr. RALSTON: The inspection department has now become a separate board, entirely under the inter-governmental inspection board which is made up of both Canadian and British personnel who give their efforts in connection with whatever may be required. A Canadian may possibly inspect a British requirement or a Britisher may inspect a Canadian requirement. If we have a particular man who can do a certain job on a certain gun, then he does that particular job; if the British have a better man in connection with textiles, for instance, he does that. But it is all done under the one board.

Mr. HOMUTH: Segregated from the department.

Mr. RALSTON: Not at all.

Mr. HOMUTH: It does not come under the Minister of National Defence; it comes under this joint board?

Mr. RALSTON: Not directly under the Department of National Defence, but under the inter-governmental inspection board, on which there are personnel who were formerly on the department's inspection service.

Progress reported.

On motion of Mr. Crerar the house adjourned at 11.05 p.m.

Tuesday, March 11, 1941.

The house met at three o'clock.

SPECIAL COMMITTEES

WAR PENSIONS—SECOND REPORT OF SPECIAL COMMITTEE ON PROBLEMS OF EX-SERVICE MEN

Hon. CYRUS MACMILLAN (Queens) presented the second report of the select committee on the Pension Act and the War Veterans' Allowance Act, as follows:

Your committee recommends that authority be granted:

(1) to consider and report upon all matters relating to ex-service men of the last and the present war, including matters relating to provision for medical, hospital and convalescent treatment, grants, gratuities and allowances, upon or after discharge, and provision for their rehabilitation.

(2) to consider and report upon the desirability of enacting legislation in respect of persons injured in the course of duty during the present war, or in respect of dependents of such persons losing their lives in the course of such duty.

(3) to appoint subcommittees to examine witnesses, to send for persons, papers and records, and to report back to the committee from time to time.

DEFENCE OF CANADA REGULATIONS AND PENSION ACT—CHANGES IN PERSONNEL

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

That the name of Mr. Bence be substituted for that of Mr. Ross (Souris) on the special committee on the defence of Canada regulations; and that the name of Mr. MacKinnon (Kootenay East) be substituted for that of Mr. Brooks on the select committee on the Pension Act and the War Veterans' Allowance Act.

Motion agreed to.

WAR APPROPRIATION BILL

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

The house resumed from Monday, March 10, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war.—Mr. Ilsley—Mr. Fournier (Hull) in the chair.

Mr. STIRLING: Mr. Chairman, I should like to take the opportunity, before the Prime Minister has quitted the chamber to attend

to other duties, and during the presence here of the three ministers of defence, to ask the government if it would state its position with regard to the question of decorations. Upon inquiries which I have made in various directions it has been stated to me on more than one occasion that the government takes its stand on the incident which happened in the House of Commons in 1919. Hon. members will remember that a select committee of the house was appointed to examine into the question of titles and to report. The committee so reported on May 14, 1919, and a debate ensued some days later in which the recommendations of the report were supported by a majority in the house—I think the figures were 96 to 43. As a result of the adoption of that report a humble address was presented to his majesty making reference to two points. The suggestion was made, first, that no more titles should be granted to British subjects domiciled in Canada, and, secondly, that in the case of hereditary titles they should lapse at the death of the then holder.

That humble address was duly sent to his majesty, but that was by no means the only content of that report. There was a further paragraph which I should like to read to the house. Immediately after the reference to the address, the suggestion was made that the titles of both "Right Honourable" and "Honourable" be discontinued, but the suggestion did not meet with the approval of the committee. The report then states:

> Your committee, however, do not recommend the discontinuance of the practice of awarding military or naval decorations, such as the Victoria Cross, Military Medal, Military Cross, Conspicuous Service Cross and similar decorations to persons in military or naval services of Canada for exceptional valour and devotion to duty.

It seems to me therefore improbable that what I have been informed is correct, that the government takes its stand upon what happened in the House of Commons—not parliament—in 1919.

The question of decorations has been one of some difficulty, but for generations, so far as Great Britain is concerned, recognition of deeds of valour has been accepted almost as a household word. There may be some who think there is but little value in it, but I am sure I am voicing the opinion of members of the fighting services, members of the services which are connected with the fighting services, yes, and indeed of a large proportion of the population, when I say that a recognition for valour is something far above recognitions of other descriptions. It has the effect of strengthening the morale of the services.

The other day in this house I mentioned my own personal opinion that I am not more than interested as a rule in the manners and customs of public and governmental life in Great Britain. I prefer to be guided by what I consider the points which count with regard to Canadian public life. But there is a difference in this matter. Our sailors, soldiers and airmen are more than allies with those of other dominions; they are brothers. They are so closely associated with them that it would seem to me something in the nature of a common policy that might well be the directing course with regard to this question of decorations.

Just recently the Canadian No. 1 fighting squadron has been fighting with the Royal Air Force squadrons and with Polish squadrons, and as a result of what was accomplished by these various squadrons recommendations for decorations have been made and decorations have been granted not only to pilots but to ground personnel, recognition thus being given to the fact that a plane in the air must be kept in perfectly fit flying condition by those who do good work on the ground. I am told also that recommendations went forward with regard to personnel connected with No. 1 fighting squadron, but decorations were not granted.

It appears to me it would be of very great interest not only to the services in Canada but to the general public if the government would be good enough to make known what policy actuates it in this matter.

Mr. CRUICKSHANK: Last night I attempted to adjourn the debate but apparently I was out of order. I made the attempt for the reason that I wished to be the first speaker to-day, but it has not worked out so well. The only reason I am speaking to-day is that there has been so much misrepresentation with regard to the problems of British Columbia, and that is what I want to correct.

The principal reason for dissension in our war effort is the fact that we as members do not know Canada as we should. I venture to say that at least seventy-five per cent of the members have never had the privilege of visiting British Columbia and the other

western provinces. That is not good for Canada or for us as members of parliament, and I am taking this opportunity to invite each member to visit the glorious west at the conclusion of this session. I shall write to each member individually in this regard. I have no authority to speak either for the provincial government, for the municipal authorities, boards of trade or any other organization, but I think I can assure hon. members, on their behalf, that we shall give all visitors a true western welcome and I hope they will let me know how many are coming. All have passes, and most are of Scottish descent, and it would be an excellent chance for hon. members to show their wives what good fellows they are. I suggest that you bring your families with you.

In my opinion, we have not yet put into effect a full war-time effort and in this connection I may refer to the question of ship-building. It may sound strange for me to discuss this subject as a rural member, but it was under consideration last night, and I wish to point out that we in British Columbia have many year-round harbours. Our climate cannot be surpassed, and notwithstanding any information to the contrary that may have been given to the minister, who I regret is not present at the moment, we have between one and two thousand skilled labourers out of work. That is not in the best interests of Canada at a time when the empire is calling for ships and more ships. A short time ago the representatives of the international machinists union, covering railroad employees, approached the Canadian Pacific Railway with the request that the employees of that system be put back upon a six-day week, and the answer given was that to put these men on the six-day week would throw five hundred skilled men out of work. If you are going to throw five hundred skilled men out of work in British Columbia or elsewhere by adopting a six-day week, then I say we have plenty of skilled mechanics.

I should like to quote from the Ottawa *Journal* of March 11, which in an editorial quotes the following Canadian press dispatch:

> Ottawa, March 7.—(CP)—The possibility that Canada's war-time cargo boat construction might be doubled was seen to-day by officials of the munitions and supply department.

That is from the Canadian Press. The editorial continues:

> Who are these "officials"? And who authorized them, whoever they may be, to give out such an announcement? Such statements, clearly, should come only under the name, and with the authorization and responsibility, of the minister.

The Canadian Press dispatch, enlarging on the statement of the "officials", went on to say:

> "At present the dominion is engaged in building 20 cargo boats, and it was understood the authorization for the building of anything up to 20 more has been received within the past few days from Britain."

And further:

> "The cargo boats under construction are merchantmen of the ten thousand ton type. . . ."

Hon. members may wonder why I want this in *Hansard,* but my friends to the left will not wonder so much when they hear the rest:

> Are these statements true? We are afraid they are not true. To begin with, the *Journal's* information is that Canada is not "engaged in building 20 cargo boats"; that no cargo boats are "under construction".

A little further on in the same editorial we find this:

> But why not say so? Why instead have some unnamed "officials" putting out information that is inaccurate and misleading? It is precisely this sort of thing that has caused Mr. Howe no end of trouble, and which, in addition, has made for a lot of public confusion. . . .

And further down it says:

> . . . although we think it could be strengthened greatly in its efforts by calling in men to its councils outside of mere party lines. . . .

At the outset the editorial says that these officials, these dollar-a-year men—ninety per cent of them Tories—are giving out misleading information, but further down it asks us to bring these same men into a so-called national government. It would be a fine government! The editorial says they give out misleading information, and I want to tell the Minister of Munitions and Supply (Mr. Howe) that in my opinion any bottle-necks we have had have been due to that very fact that he has not been given accurate information, certainly not from British Columbia. And this misleading information comes from a group of officials who are responsible to no one.

In this connection I would commend the government for having appointed a committee to investigate war expenditures. This is a very wise decision and will serve to reassure the public. But I would strongly urge upon the Prime Minister that he appoint another small committee consisting of five to seven private members of this house to tour Canada right away and view the different projects now under construction or in operation. The private member is responsible to the public by whom he is elected. When these so-called official experts give the minister misleading information, as they have unquestionably done, and subsequently it is found to be incorrect, they merely resign. If a small

committee went around and viewed these projects, for example in Hamilton, they could give the people a true picture.

Let me give one instance of the foolish criticism that is prevalent. This criticism came to me from two of the most prominent Liberals in British Columbia, at Liberal headquarters. A certain project was said to have cost $32,000, which if true would be ridiculous. That story was going round the streets of Vancouver, and if anything ever does go round the streets of Victoria it possibly went there. I took it up with the Minister of National Defence, which is what I think any hon. member should do, to check the veracity of such rash statements, and I found that the actual figure was $490. The hon. member for New Westminster heard the story and I am sure that every hon. member from British Columbia heard that it cost $32,000. Things like that do not help Canada's war effort.

Mr. MAYHEW: We stick closer to the truth than that in Victoria.

Mr. CRUICKSHANK: Well, I correct myself; Victoria City has at last wakened up.

Much has been said, in connection with our war effort out there, about geographical difficulties. It is possible that shipbuilding costs and some other costs in our war effort may be greater out there owing to our geographical conditions. But offsetting that we have climatic advantages. We have never disputed the fact that some of the air-training camps should be in the east where you have anywhere from one to forty feet of snow for six months in the year. But our main geographic disadvantage is freight rates. As I see it the government under the War Measures Act have it in their power to overcome that disadvantage. As soon as the railroads saw that we were short of ships they increased our freight rates. The board of transport commissioners may have control of freight rates, but when the poor farmer for the first time in ten years began, not to make money, but merely to break even, the government pegged the price of butter. They could just as well peg freight rates.

There is another matter in respect of which the Pacific coast is not under a handicap. It cannot be disputed that we have skilled labour available as well as eighteen thousand unskilled labourers in Vancouver and the surrounding district. We are not in an all-out war effort while there are two thousand skilled and eighteen thousand unskilled labourers without employment in British Columbia.

It has been stated here that we in British Columbia have certain war orders. But we sold approximately as much lumber before; the only difference is that we sold it to the four corners of the earth. Now we are selling it, and correctly so, wherever the war effort requires us to sell. We have heard much about the ten million dollar plant that we are building for Consolidated Smelters at Trail, but before the war we sold those metals, even —to our everlasting shame be it said—to Germany and Japan. But we sold them.

We have men unemployed in British Columbia. We should put them to work. If it is to the advantage of the war effort that the money be all spent in Ontario we are patriotic enough to agree. But our patriotism leads us to the belief that no matter where ships are built they should be built speedily, and when we have shipyards that are not working to capacity we expect the people of Ontario and Nova Scotia to be equally fair in their consideration of us.

We resent strongly the suggestion made yesterday that there are not these unemployed men in British Columbia. I and, I presume, other hon. members from British Columbia receive letters every day from skilled men seeking employment. We get letters every day from our constituents asking why we are not going full-out in our war effort. I believe the government have done excellent work; in my opinion the Minister of Munitions and Supply is the best qualified man in this house to hold the position he does, but at the same time in fairness to the minister I say he has not been properly advised by some of the so-called officials that he has around him. After the last war the United States found that their most expensive luxury was these dollar-a-year men. The labourer in any line is worthy of his hire. The government should pay a little more attention to the advice of members from the various parts of Canada, who know what is going on. I am citing this particular case simply because the minister does not and could not possibly know what has been going on, with these so-called experts advising him.

On January 28, at the Boundary Bay elementary training school under the empire air training scheme, there were from two to four inches of water nearly all over the six hundred acres of that project. On the same day, at five o'clock in the afternoon, three men were engaged in shingling the roof. With five hundred carpenters unemployed in British Columbia, the province which produces ninety per cent of all the shingles made in Canada, only three men were working. That is not good enough. I know of five men from my own riding who went to this school five times to apply for work. They did not go with letters from their member, either; but they

could not get work, though they were fully qualified carpenters. Is that an all-out effort? Of course it is not.

There is one expression I do not like to hear in connection wtih our war effort; that is, "up to schedule." As I see it, if a particular project is two months ahead of schedule it is our duty and responsibility as members to see that it is brought four months ahead of schedule. Remember, Hitler is not going to run this war on schedule. If we are two months ahead of our schedule let us work until we are four months ahead of it, and we are not in that position when the conditions I have described exist at Boundary Bay, where they have had to lay down three feet of solid gravel, hauled at great expense, in order to permit access to the very cabins where the young aviators are going to live. Is that an all-out effort? I am not blaming the minister for that; no fair-minded person would blame him. He cannot know every detail, but, fortunately or unfortunately, he has to rely upon his experts, ninety per cent of whom are Tories.

Mr. HOMUTH: You might as well blame the whole thing on the Conservative party.

Mr. CRUICKSHANK: No, I do not blame it on the Conservative party, because at times the Conservatives show intelligence.

An hon. MEMBER: Then why blame it on the Tories?

Mr. CRUICKSHANK: I am referring to the old-fashioned Tories, those who want to be in this national government. I do not consider members of the Conservative party as Tories. I do not think good Conservatives want to be in a national government, because good Conservatives took their chances about a year ago, when the people said whom they wanted to run Canada during this war.

I do think the minister should call in private members a little oftener in order to get their advice with regard to the conditions that exist in their ridings. Again I would strongly urge that a small committee of this house go around and see what actually is going on. If these conditions exist I know the government want to know about them; the government do not want these stories going around, discrediting Canada's war effort. The members from the west have to travel over a large part of this country in order to reach Ottawa, and they know something of what is going on. It would be a good thing if the Prime Minister would amend the British North America Act in order to provide that members would have to cross Canada at least once a year.

Mr. MACKENZIE KING: Perhaps the hon. member for Fraser Valley will pardon me if I do not refer to the questions of which he has just been speaking but rather answer the hon. member for Yale (Mr. Stirling) who brought up the question of the government's attitude with respect to decorations.

The hon. member correctly stated that when Sir Robert Borden's government was in power, in 1919, I think, what has been known as the Nickle resolution was introduced by Mr. Nickle and unanimously adopted by this house.

Mr. STIRLING: Surely it was not unanimous; the vote was 96 to 43.

Mr. MACKENZIE KING: I have erred in saying that the resolution was passed unanimously; what I should have said was that the resolution was adopted at that time. When the Liberal administration came into office in 1921 our party considered the matter, and I understood was unanimous in its view that this resolution should govern in the matter of the bestowal of titles and decorations. All the administrations of which I have been head have consistently held the view that the resolution was one passed by the House of Commons, and that until it was amended or rescinded by this house, the government should consider itself bound by the resolution. It is true that when the Right Hon. R. B. Bennett was in office he did not take the same view. He contended that the resolution was passed by only one branch of parliament, and that the resolution of the House of Commons of one parliament did not necessarily bind the Houses of Commons of succeeding parliaments. Nevertheless the view taken by the present administration has been and is that until the resolution respecting titles and decorations adopted by the House of Commons of Canada is amended or rescinded by the House of Commons itself, we should consider ourselves bound by it.

I should add that on one or two occasions motions were presented from the other side of the house to have the resolution reconsidered. Speaking offhand, I cannot recall the years, but, if I am not mistaken, there were two occasions. In one instance Mr. Ladner, one of the members from British Columbia, moved that the house should reconsider the resolution on titles and decorations. At another time Hon. Mr. Cahan brought in a motion asking for the appointment of a committee to consider the whole matter. My recollection is that neither of these motions was entertained by the house, and for that reason, among others, this administration has felt that it was right in believing that the general sense of the House of Commons

reflecting that of the country was against reopening the question of titles and decorations.

The hon. member for Yale has been careful in his remarks to distinguish between what is involved in the conferring of titles and what is involved in the conferring of decorations. I think he has been wise in so doing. I do not believe there possibly can be in the public mind the same objection to the conferring of decorations that there is to the conferring of knighthoods, which tend to create class distinctions which certain decorations certainly do not. So I shall confine my remarks at the moment, as my hon. friend has, more particularly to the question of decorations.

Decorations fall into two classes; those in the nature of awards for gallantry, the recognition of valour, and those given in recognition of other services. The latter decorations are associated with certain orders of chivalry. As hon. members are no doubt aware, the orders of chivalry have different classes. The orders and classes constitute a sort of hierarchy of recognition. I might illustrate by referring to the Order of St. Michael and St. George. The lowest class of this order is the C.M.G. decoration, companion of the order of St. Michael and St. George. There is next a higher class, the K.C.M.G., which makes the recipient a knight commander of St. Michael and St. George. There is also a still higher class in the order, the G.C.M.G., which makes the recipient a grand commander of the order of St. Michael and St. George. The K.C.M.G. carries with it a right to the title "Sir". The wife of the knight is known as "Lady". There are also in the orders of chivalry the Order of the Bath, the Order of the British Empire, the Royal Victorian Order, and others that do not come to my mind at the moment, and which for the most part are specifically restricted.

What I have said will, I believe, help to illustrate that there is a distinction between decorations belonging to orders of chivalry and decorations belonging to orders of valour.

The awards for the recognition of valour and gallantry are the M.C., the military cross; the D.S.O., the distinguished service order; the D.C.M., the distinguished conduct medal; the M.M., the military medal; the D.F.C., the distinguished flying cross; the D.S.C., the distinguished service cross and, of course, the V.C., the Victoria cross, the most distinguished of all decorations. There may be one or two others which I have not noted.

What I would say to the house in reply to the hon. member's question is that so far as awards for gallantry and recognitions of valour are concerned, this government has never taken any stand against such awards being made. I am glad my hon. friend has raised the question, because I have seen in the press the criticism that the administration has prevented Canadians in the field, who have proven themselves equally as gallant as those of other countries, from receiving recognition. As a matter of fact the government has never thought of in any way depriving members of the fighting forces from any recognition for gallantry, or from receiving any of the decorations I have mentioned as conferred for valour.

So far as the decorations in the orders of chivalry are concerned, we have felt that by the terms of the resolution of this house they were ruled out. As to the others, I can only repeat that I am sure the last thought in the minds not only of members of the government but of all hon. members would be that at this of all times we should deprive any one of any right or privilege of recognition for gallantry or valour, but rather that we would be pleased to see that recognition accorded to anyone who might be recommended for such distinction.

Mr. HANSON (York-Sunbury): It is not my intention to participate in any lengthy debate with respect to this matter. Certainly I am not going to revive the discussion on titles, or decorations for chivalry. All hon. members have their opinions respecting these matters. Personally I have never been able to understand why a citizen of Canada should be debarred from receiving the same recognition from his sovereign that a citizen of Newfoundland, New Zealand or Australia may obtain. However, that is only by the way.

The point immediately under discussion comes from the suggestion that the government itself or some department of it has laid down a rule whereby no decoration for valour may be given to any member of the Canadian armed forces, except it be for valour in the face of the enemy. I understand that is the distinction which has been put forward. I am very glad to hear from the lips of the Prime Minister this afternoon, if I understood him correctly, that the government has taken no action at all in regard to this matter, and that the position is as it was.

Mr. MACKENZIE KING: Absolutely, yes.

Mr. HANSON (York-Sunbury): Yes; that is a fair statement and a fair understanding, and I believe it will bring substantial comfort to the men in our forces. The sailor, soldier or airman who has performed a gallant service, whether in the face of the enemy or in some other sphere of his activity, values far more the testimony of his sovereign in the form of

a decoration than he would a gift of money or anything of that kind. There is a psychological effect in such decorations which more than anything else one could imagine lifts the morale of the fighting forces. I believe it will be a matter of profound relief to the men in the armed forces when they understand that the position to-day is exactly as it was in previous wars. The Prime Minister's statement has cleared up the point and will allay much of the suspicion, uneasiness and unrest which has developed.

I cannot understand how the question could have arisen unless there was an intimation from some source that the position was to be altered; there must have been some basis for the story. For the moment I am content to allow the matter to rest where it is, on the assumption that the Prime Minister has described the exact position. Had it been otherwise I should have felt it my duty to protest against any change in the matter of granting decorations for valour.

Mr. WHITE: Mr. Chairman, I should like to make a few observations dealing with certain military matters which, I believe, would fall under paragraph (b) of the resolution, which reads:

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

I should like to deal first with the plan known as the thirty-day training scheme. The Minister of National Defence announced some time ago that this scheme would be changed from a thirty-day scheme to a four months' scheme.

I have no doubt many hon. members have taken the opportunity to inspect first-hand one or several of the thirty-nine training centres at different points across Canada. Any hon. member who has done so will have seen the fine sets of buildings, the nature of the equipment, and the facilities available for the training of troops. These training centres are served by an efficient permanent staff of qualified officers, non-commissioned officers and instructors. It has appeared to me most unfortunate, and possibly something in the nature of a tragedy, that these staffs of qualified officers and men, these facilities which have been set up at the cost of millions of dollars, should have been used only for the training of recruits for a period of some nineteen days for service only in Canada.

My contention is that this highly trained personnel which makes up the permanent staffs at training centres should be used for the training of men in the active forces. It seems unfortunate that such facilities should be available and such sums of money spent only to train men for service in Canada. I hope that in the near future the Minister of National Defence will make an announcement to the effect that these training centres will be used only for the training of men for overseas service.

Some time ago I asked the Minister of National War Services if the regulations then being revised, and relating to the conduct of these camps, would be submitted to the house for debate. He replied that they would not, and that they would be placed on the table after they were agreed upon.

Mr. RALSTON: To what regulations did the hon. member refer?

Mr. WHITE: Regulations for the training centres.

Mr. RALSTON: Does the hon. member refer to the regulations for the calling up of the men?

Mr. WHITE: Yes; they are being revised.

Mr. RALSTON: I thought the hon. member referred to the conduct of the camps, and I would point out that that would come under my department.

Mr. WHITE: That is right.

Mr. RALSTON: Well, I should like to know what the hon. member wants. There are two sets of regulations. One set is provided by the Minister of National War Services, and has to do with the calling up of recruits. The other is a set of regulations which affects the recruits after they reach camp, and is under the direction of the Department of National Defence.

Mr. WHITE: The ones to which I refer are those affecting the calling up of classes of recruits. I believe they are passed upon by the Minister of National War Services. The point I wish to emphasize is that under the present set-up the regulations will affect anywhere from 100,000 to 200,000 young men. Hon. members will agree that any regulations affecting that number of citizens of Canada are of sufficient importance to warrant being brought into this house for debate. Anyone who has taken the time or the trouble to examine the set of regulations issued last fall will find many flaws and defects in them. I shall point out just one. The first regulations provided that at the end of the thirty-day training period the recruit would be attached to a reserve force unit. The recruit was not obliged to continue his training. It is quite true that he was requested to continue his training, but no provision was made for his transportation, nor was he to be paid for the time spent undergoing training. I think everyone will agree that any such regulations are absurd. It must be remembered that the average recruit works during

the day and we can hardly expect him to take training at night without pay and to pay his own transportation costs.

I have noticed in the press that under the new set-up the recruit will be attached to a reserve force unit at the end of the four months period. Whether this will be changed, I do not know. I know of one unit which got 400 recruits from men who trained in the first two classes of October and November, and yet a check-up in February reveals that only six are now taking training. I say again that the men are not to be blamed because they must provide for their own transportation, and they receive no pay. I think I am quite safe in saying that if the 85,000 or 90,000 men who were trained under the first, second and third thirty-day training schemes were called up again for training, they would have to start at the beginning.

Mr. RALSTON: Does my hon. friend really think that?

Mr. WHITE: Absolutely. Those recruits had only nineteen and a half or twenty days' training.

Mr. RALSTON: But only three months have passed.

Mr. WHITE: Only three months have passed, yes. I would point out also that if men are only attached to reserve force units at the end of the four months period and do not keep up their training, they will slip back. Everyone realizes that with the way war is carried on to-day there must be continuous training.

I should like to refer to one other matter in connection with this training scheme, namely, the exemptions. I do not know just what exemptions or postponements are going to be allowed, because the rules have not been brought down. Certain statements have been made in the house that postponements will be granted for farmers' sons. Under the present regulations applications for postponement are made in writing to the divisional registrar. A recruit may live from 150 to 200 miles from the point where the divisional registrar is located. I know of many cases where little if any consideration has been given to the applications. I suggest to the minister that in connection with the next training period he consider having these appeals heard by the county judges. It would be a simple matter for a county judge to sit at two or three different places within his jurisdiction and hear the appeals of farmers' sons or any others who wish to apply for exemption. A recruit would thus be given the opportunity of appearing in person. I am satisfied that if some such arrangement were worked out it would do away with much of the dissatisfaction that exists to-day in connection with the hearing of appeals.

A number of young farmers have been placed in awkward positions because their appeals have received little or no consideration by the registrars. It is difficult for a farmer to get help to-day, and the reason is quite apparent. The average man can come to the city to work and get much higher wages. In the riding which I represent the Ontario hydro have been carrying on a great deal of construction work and men are very scarce. Many of the young men who have been called up for training have suffered real hardship because in some cases they were unable to get proper help to look after their stock. Some of these men were living with elderly or ailing parents and they had milch cows and other stock that needed daily attention. I hope the minister will give some heed to the request that these appeals be heard by the county judges.

Replying yesterday to a question asked in regard to the cost of the training centres, the Minister of National Defence referred the hon. member asking the question to page 908 of *Hansard* of February 21, 1941, where a statement is set out giving the cost of certain details in connection with the training centres. Upon examining this table I find that it is far from complete. I should like the Minister of National Defence to place on *Hansard* during this debate as complete a statement as possible of all costs to date in connection with the three months' training scheme.

Mr. RALSTON: Will the hon. member specify what he has in mind, what he thinks is omitted?

Mr. WHITE: There are a few details I should like to have, if they can be obtained. First, the cost of constructing and equipping each of the thirty-nine training centres.

Mr. RALSTON: Is not the construction cost in that table?

Mr. WHITE: It is given in a lump sum.

Mr. RALSTON: How does my hon. friend want it?

Mr. WHITE: Some centres were constructed by private contract and others were constructed by the government.

Mr. RALSTON: Replying to the hon. member who asked the question I stated that the cost of the contract camps had still to be allocated because many of the materials had been purchased in bulk by the Department of Munitions and Supply. I have on my desk, but not before me, a statement of the cost of the other camps.

Mr. WHITE: I noticed what the minister said yesterday. The third item is the number of the permanent staff at each camp. Fourth, the amount of pay and allowances of the permanent staff up to the date of the end of the third training period. Fifth, cost of training equipment. Sixth, cost of clothing and other articles issued to trainees.

Mr. RALSTON: I think that is there.

Mr. WHITE: Seventh, cost of food supplies. I notice the minister dealt with that yesterday. Next, cost of transportation of trainees to and from camps.

Mr. RALSTON: That is there.

Mr. WHITE: Ninth, the amount paid to trainees. Tenth, the cost of medical care for permanent staff and trainees. Next, any other incidental expenses in connection with the training camps.

Mr. STIRLING: All of it camp by camp.

Mr. WHITE: By separate camps.

Mr. RALSTON: Did my hon. friend say "by separate camps?"

Mr. WHITE: Yes.

Mr. RALSTON: There may be some difficulty.

Mr. HANSON (York-Sunbury): We had two of the items of construction yesterday.

Mr. RALSTON: As I understand it, my hon. friend is asking the cost of medical care and other particulars. Some of these items can be given by separate camps, but others cannot. I know my hon. friend does not want to be unreasonable.

Mr. WHITE: If they cannot be separated, I shall be quite glad to have them as they can be given. With the information in regard to these eleven items before us we shall be able to get an accurate picture of what the three months' training period has cost to date.

Shortly after the Minister of National Defence returned from England he made an announcement through the press that there would be some increase in the size of our armed forces. But so far these increases have been very small, and I wonder if the minister realizes what a serious damper has been put on the enthusiasm of the youth of this country in their attempts to enlist. Many young men have tried for months and months to join certain branches of the service, but have been unable to do so. Perhaps a very small quota would be called for at a certain depot or for a certain battalion. Many men would travel miles and miles, hitch-hike their way, and on their arrival find that the quota had been filled. Naturally a man who has had some connection with a military unit is attached to that unit. He has some choice as to the branch of the service he would like to join. I suggest to the minister, having regard to the difficulty of getting recruits at the present time, that if he would seriously consider the question of calling up the reserve force units as active force units and allowing these reserve force units to retain their identity, he would get all the recruits he wants.

With regard to these reserve force units, they were mobilized in June, 1940, at least eight full months ago.

Mr. RALSTON: Not "mobilized." My hon. friend does not mean that. I think my hon. friend gives the impression that they were mobilized for the purposes of overseas service. We use the expression "mobilization" in that connection. They were authorized to recruit up to full strength as reserve units; they were not mobilized.

Mr. WHITE: Quite right; they were authorized to recruit in June, 1940, and in a a very few weeks those units were up to full strength. All recruitment for reserve force units ceased on the 15th of August, 1940. In the eight months which have passed these units have completed thirty days' training. Of that thirty days fourteen days, or fifteen days in some instances, were put in at a military camp. So that in the remaining seven and a half months these units have trained only fourteen or fifteen days.

Much of this training has been carried out under most discouraging circumstances, on account of lack of training equipment. But the point which I wish to emphasize is that, at this critical juncture, when the time feature is so essential, these units have trained only thirty days in eight months.

What is the reason? Are we still short of training equipment? Surely this is not possible when you consider that we are in the eighteenth month of the war. We are constantly assured by the propaganda agency at Ottawa that we are up to schedule; in fact, the hon. member who spoke a few minutes ago mentioned that certain things were two months ahead of schedule. The Minister of Munitions and Supply loves to talk in this chamber about the output of Bren guns. I should like to ask the Minister of Munitions and Supply to explain to the house why active force units are so very short of Bren guns for training purposes; why active force units are short of gas-training equipment, anti-tank guns, grenades, and many other items.

Another point I should like to mention to the Minister of National Defence is the number of very fine armouries in eastern

Ontario which at the present time are being used only for reserve force units. To quote just two: in the town of Picton is one of the finest-equipped armouries in eastern Canada. In 1939 there was quartered in that armoury a complete battalion which is now in England. Yet to-day less than a hundred men are using it, and they belong to a reserve force unit. There are fine armouries at Belleville, Napanee, Trenton, Picton, Madoc, and Norwood, all being used by reserve force units. I hope the Minister of National Defence will announce that in the future these armouries will be used only for active force units.

I well remember being in this house the day the mobilization bill was passed, and how the Prime Minister, in a most pleading voice, stated that he wished that his government had the necessary powers that night to act. Well, in a very short time that bill was passed, and what was the result? From the mobilization bill so far we have this farce of a thirty-day training scheme. It is beyond me how any government with a general staff such as they profess to have at Ottawa, with full knowledge of what is going on overseas, could conceive of and put into execution such an utter farce of a training scheme, calling for only thirty days' training; and now, after months of delay, the scheme is to be changed to provide four months' training. I say to the minister that even four months' training does not meet the needs of this country.

Recently the government had a series of radio talks which they called, "Let's Face the Facts." Why not face the facts right here in this house? Let us as members of parliament show, for once, a little backbone, and face the facts and admit that conscription of all man-power for service anywhere in the world is the only answer to the present situation. Any young Canadian who will not fight for his country is not fit to receive the benefits that this country gives to him. Why is recruiting at the present time so slow? We have to-day two systems; on the one hand a voluntary system, and on the other a half-baked idea of compulsory military training, attempting to work side by side. In addition, this government has seen fit to set trainees in a preferred class. Speaking in this chamber last November, I pointed out to the Minister of National Defence that certain articles were not issued to members of the non-permanent active militia, as they were called at that time. When he replied he stated that I should know that the members of the non-permanent militia did not receive underwear, socks and other similar articles. But all trainees are members of the reserve forces, and they receive socks, boots and all the rest of it, and in addition, when they leave the training centre they take their socks, boots, underwear and other articles with them to keep.

Mr. MACDONALD (Brantford City): Does the hon. member suggest that the boots should be left?

Mr. WHITE: Not at all, but what I do suggest is that if you give these things to one part of the reserve force units you should give them to all. Why give them to the trainees and not to the reserve force men? Because the reserve force men enlisted of their own free will and accord; they were not forced in any way to take the training.

As one of the results of this, you find in these reserve force units feelings of resentment and confusion, and there is a growing bitterness between these two factions.

While as yet the training programme for 1941 has not been announced, it is reported that the training will consist of ninety days—sixty days at home and thirty days in some central camp. If there is any truth in this rumour, such a programme will not meet a very happy reception, because the majority of men in these reserve force units have had one taste of training at nights and on Sundays, and it is neither practical nor popular with the men. If it is the intention of the government to put into effect such a scheme of training this year they will have the greatest difficulty in obtaining officers, non-commissioned officers and men.

Last November I drew to the attention of the Minister of National Defence the increasing number of men who are absent without leave, and in particular I mentioned the camp at Petawawa. The minister must know that there is the greatest feeling of unrest among the men at this camp. I have no wish to elaborate on the conditions that exist, but I do wish again to bring to the attention of the minister the fact that such conditions have the worst possible effect on the morale of the troops. It tends to discourage recruiting, causes distress and dissatisfaction among the families and friends, and in the end tends to slow up our war effort.

I would also bring to the attention of the minister most forcibly the recent instructions that have been issued as to men absent without leave, and the granting of passes. I doubt if the general public have grasped the significance of these regulations. I will explain them briefly to hon. members in case they are not familiar with them. Before a soldier goes on leave it is necessary for him to purchase a railway ticket to the destination shown on his pass. That railway ticket is taken to the orderly room and must be shown to the orderly room staff before he can

obtain his pass. The number of that ticket is endorsed on the back of the pass. If the soldier is going to a destination that does not call for a railway ticket, that is endorsed on the pass.

That simply means that unless a soldier can produce money for a railway ticket he does not get his pass. If he goes without a pass he is absent without leave. In plain language, it means that soldiers can no longer hitch-hike home. In Ontario thousands of motorists have willingly given lifts and free rides to soldiers because they realize that there is an obligation on this government to provide free transportation. But that day is gone. Only a few days ago in this house, when the matter of the pension bill was before the house, members of all parties in the house expressed the desire—and I am sure they were quite sincere—to do all that they could to provide just and equitable pensions for soldiers and their dependents. And now we have to-day this very serious condition. If these men have not the money to go home they are denied the right to hitch-hike. What is going to happen? We shall find that there will be more men absent without leave. It will be harder to enforce discipline, and it is scarcely necessary to state in this house that Canadian soldiers do not take kindly to discipline. But, with proper handling, any body of soldiers will develop a remarkable loyalty to their own battalion. There is created esprit de corps in the unit. I warn the government, however, that any such strong-arm methods as they are now adopting in this matter will only make the soldiers grouse and grouse. It is quite true that all soldiers grouse; that is one of their ancient privileges, and in this case I feel they have something to grouse about.

This government can find millions and millions of dollars for anything they wish. They can spend almost $3,000,000 on taking a census, but they cannot provide one cent for free transportation for soldiers. And money spent for free transportation for soldiers will be returned a thousandfold in increased morale and the esprit de corps that is created in the units. Esprit de corps is simply the loyalty and devotion a soldier has for his unit. You can ask any member in this house about his own battalion and he will say to the very last that his unit was the only unit, the best unit in the last war.

Why cannot this government realize that soldiers will take any risk to get home to see their families and loved ones? I strongly condemn them for these new rules that they have passed prohibiting soldiers from hitch-hiking on the highways. If any hon. members wish to get the popular reaction to these new regulations let them pay a visit to the active force unit in this city. You can read the regulations on the bulletin board. And then let them have a talk with some of the men. Let them interview some of the men who were unable to go home last week-end when their pass came through because they did not have the necessary funds to purchase a railway ticket.

Mr. DUPUIS: Will the hon. member suggest how much it would cost this country if free passes were granted?

Mr. WHITE: No, I cannot say, but it does not matter how much it costs; this country can provide the money for it. Everyone says that these soldiers are heroes and should have the best of everything. They are only here a short time before they go overseas and the one thing that means the most to them is denied. If hon. members want to know the popular reaction let them visit the active force unit in this city. Let them browse around among the men and they will perhaps get some idea of the magnitude of the storm that is brewing at the present time.

Surely the time is long past when this government should dwell, as they do continually, on the result of the last election. We all know that the Liberal party received more votes than any other party in the house. But it is not votes that count to-day; it is bullets, machine guns, tanks, aeroplanes and all the other implements of war.

You expect the finest young men in Canada to enlist, and they are willing to risk their very lives. The government is asking the people to save and to lend every cent. The government is asking the people of Canada to make the supreme war effort. Is it not only fair and just, then, that in the administration and direction of the war effort all shades of political opinion in this dominion should be represented?

I would appeal to the members of this house who are veterans of the last war and who now support the Liberal party. I say to them: You know better than anyone else what war means, because you have seen it with your own eyes. Then take a look around your own riding and investigate the conditions of the reserve force and the active force units. Consider the folly of the thirty-day training scheme we have been following. Inquire as to the shortage of equipment in all units. Investigate the endless red tape that seems to delay and tie up everything that the government controls, and then just think back a few years when you were soldiers in France. Think of some of the days when you were on the Somme, at Ypres, or at

Courcelette, or that Easter morning at Vimy Ridge. In those days we had very definite objectives and those objectives were gained only by careful planning and full cooperation with all branches of the service. At Vimy there was the greatest barrage that had ever taken place up to that time, and yet when we crossed over that ridge we saw the advantage of the barrage because it had paved the way for the victory that followed. Any members of this house who were at Amiens on August 8 will recall the perfect clockwork timing of the whole British army in every detail. The result was that the German army was simply rolled back in utter confusion.

I mention this simply to illustrate the need of unity and complete cooperation of all to win victory. When we were in France every soldier some time or other was in a tight spot. At that time it did not matter very much to the soldier what religion or politics his comrades professed. He did not care whether they were interested in party patronage or in the survival of any political party; if anyone had dared to suggest such a thing to a soldier in France he would have been branded as a traitor to his country. At that time the soldiers in France looked to the government and the people of Canada to bury and forget all such considerations, and to supply them with all needed reinforcements and implements of war. In those days hon. members who were in France saw the need of unity in the country. But great as that need was in 1914-18, to-day the need is far greater. We who are returned soldiers and now elected members of this parliament, which is the only legal constituted authority in this country, have grave responsibilities. Is history to recount that we, the members of this parliament in the year 1941, were more concerned with political patronage, with the survival of our party, and things of this nature; that we placed these things before the urgent need of Britain and the immediate mobilization of all the man-power in Canada for service overseas?

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

Mr. WHITE: When I shall have finished.

I want to make just a few remarks about a speech delivered in this house by the Minister of Justice (Mr. Lapointe) in which he stated that the province of Quebec is opposed to a national government, and that his province would not have national government. His speech brought forth great applause, including applause from the Prime Minister. I should like to say to the Minister of Justice that there are other parts of Canada besides the province of Quebec. It is about time for the Dominion of Canada to realize that this country is no longer going to be governed by the dictates and whims of the province of Quebec.

Some hon. MEMBERS: Shame!

Some hon. MEMBERS: Hear, hear.

Mr. WHITE: Are you so blind in that province that you cannot see what is coming? Are you concerned only with votes and the result of the next election? I warn the Minister of Justice that his remarks in this house will do more to create distrust and disunity and to hinder the war effort than any remarks made here since the war began.

The cry of conscription is again brought up. Well, your government introduced a measure of conscription, and when the vote was taken every member present in this house, except two, voted for it. I ask the Minister of Justice, who has stated that he speaks for the province of Quebec, and who apparently spoke for the Prime Minister, what he proposes to do in the event of reverses to our forces overseas making it necessary to supply a large number of reinforcements—yes, even to have conscription? Does he intend to continue to bury his head in the sand, or does he intend to face the realities of 1941? Members of this government are quite fond of referring to the number of votes their party polled in the last election, but I notice that they carefully refrain from making any reference to the soldier vote overseas. The soldiers overseas did not approve of the war effort of this government, and I am sure the boys overseas will be highly pleased when they read the remarkable speech of the Minister of Justice. Will that speech convey to them that Canada is united behind them?

I wonder whether this government fully realize what is going to happen when the people of Canada fully apprehend the truth about the muddle in aeroplane production, the truth about the shortage of army equipment after eighteen months at war, the truth about the thirty-day training plan. I warn the Prime Minister and his government that the day of promises is long past; the people of Canada in 1941 want results and not promises. And let the Prime Minister not forget what he has often stated in this house, that the will of the people of Canada is supreme over parliament. When the people of Canada realize the whole truth as to how our war effort has bogged down they will tear your government to pieces, just as Mr. Churchill said the armies of Britain would tear Mussolini's empire to shreds. Let the Prime Minister continue talking about the mandate he received at the last election; let his ministers keep on crying "saboteur" and "fifth columnist" in reply to justified criticism

and keep hurling charges at responsible newspapers whose only desire is to win the war; let the Minister of Munitions and Supply continue making remarks about hon. members digging in the sewers and hon. members who wear uniform, and they will reap the full fury of the storm when it breaks.

Mr. CLEAVER: The hon. member promised he would answer questions when he was through.

Mr. BRADETTE: Do not take him too seriously.

Mr. CLEAVER: I would ask the hon. member whether he thinks he is adding anything to the strength of the war effort or the morale of the Canadian people in regard to that effort by making the statements he made in regard to Quebec.

Mr. WHITE: Absolutely.

Mr. CLEAVER: All right. Then in regard to the province of Ontario, from which we both come as members of parliament, has the hon. member forgotten that Ontario voted just as strongly against national government as Quebec did?

Mr. WHITE: I said that the people of Canada are not concerned to-day with votes; they are concerned with bullets, machine guns and aeroplanes, and we have very few.

Mr. CLEAVER: The hon. member has sidestepped the question.

Some hon. MEMBERS: Order.

Mr. CLEAVER: I repeat that the hon. member has sidestepped the question.

Mr. HANSON (York-Sunbury): I rise to a point of order. This is all out of order. In the first place the minister had the floor to reply. We should conduct these proceedings in an orderly way.

The ACTING CHAIRMAN (Mr. Fournier, Hull): The minister sat down.

Mr. CLEAVER: Does the hon. member not accept the expressed wishes of the people of Ontario at the polls in regard to national government, leaving Quebec out of the picture?

Mr. WHITE: If the hon. member wants to make a speech, he can do so. I only say again that the people are not concerned with votes; they want action.

Mr. CLEAVER: How can the people express their wishes except through their votes?

Mr. HANSON (York-Sunbury): This is all out of order.

Mr. MacDIARMID: Did our soldiers have free transportation in the last war?

An hon. MEMBER: They did in England.

Mr. RALSTON: I had intended this afternoon to put on the record some statements which might be of interest to the committee in connection with this resolution. Contrary to what the leader of the opposition has supposed, I shall not take very much time in replying to the hon. member who has just taken his seat (Mr. White). I propose to make a statement to the committee with regard to some matters relating to the army programme in order that the committee may have that information for consideration and as a basis for asking further questions if they so desire. But as a member of this house I cannot allow to go unnoticed some of the things which my hon. friend has said. I do not propose at the moment to deal with the thirty-day training period; I shall come to that in its proper order.

I do want to say most emphatically, Mr. Chairman, that a member of the house who speaks of unity and the complete cooperation of all, and who delivers himself as the hon. member has this afternoon, to say the least certainly is not entirely consistent, and I am sure that is a very weak phrase. Listening to some speeches in this house, including that of my hon. friend, I have sometimes felt that in this country there are some people who are never satisfied unless they are putting a burr under the saddle or creating some difficulty, instead of endeavouring to cultivate unity. My hon. friend was the follower of a gentleman who pledged that there would be no conscription in Canada; my hon. friend was elected on that platform, yet to-day he rises and speaks about the province of Quebec leading this country. I say to my hon. friend that this is unworthy of a member of this house, and I submit that it is unworthy of a gentleman who wears the king's uniform, as he does at the moment. When the hon. gentleman talks about party patronage I tell him he had better adduce some instances of that patronage in connection with this government's war effort before he talks about it. I invite him at any stage of the game, at any stage of this committee's proceedings, to produce any evidence of party patronage in connection with the administration of military affairs. I shall be happy indeed to examine it very fully.

My hon. friend is an officer, wearing his majesty's uniform. If I may presume to offer the suggestion, one of his duties is to endeavour to see to it that the men under his command, the men who salute him, are given a reasonable amount of consideration

and are not incited to find fault with their lot. It seems to me that one of the things an officer has to do is to take care of his men and endeavour to give them as much assistance and comfort as possible. My hon. friend knows that the reason we have so many men in these camps in Canada to-day is the fact that, thank God, there have not been casualties overseas, and we have not had to send men over as replacements. Knowing that, when he states that there is a feeling of unrest, that there is absence without leave, that there is distrust and dissatisfaction among the men, and that there is a storm brewing, I submit that he is not doing himself justice, nor do I think he is doing justice to the armed forces of this country.

I suggest to my hon. friend that he and I, and everybody in this house, ought to endeavour to see that these men are as fully satisfied as they can be; but I suggest to him advisedly that I do not think the way to do this is to provide free transportation for a soldier when he wants to go on week-end leave, and I say that very frankly. I believe there are other ways of doing it. Those other ways are to look after our men; to explain to them the situation which exists in this country, instead of endeavouring—as my hon. friend would do—to place some sop before them in the way of free transportation in order that they may be satisfied. If I know the men of this country—and I think I know something of them; I had some experience in the last war—they do not want to be coddled. These men are not particularly asking for these things; they just want to know what is going on. It is up to officers such as my hon. friend to explain matters to them instead of talking about distrust, dissatisfaction, unrest, storms brewing, and things of that kind.

I suggest to my hon. friend that we should get down to a discussion of what is before this house, namely this war programme. My hon. friend is perfectly justified, or at least has a perfect right, to say all he wants to say against the training scheme. He has a perfect right to find fault with lack of equipment, if he wants to do so. That is his privilege, if he thinks that is helping in connection with the war effort. He has a perfect right to find fault as he wishes; but to say there is dissatisfaction and unrest when as a matter of fact the men are in Canada instead of overseas because of the fact I have mentioned, the fact that there have not been casualties and they have not been required, is not performing the duty which I think an hon. member should perform in this house.

Now may I deal with some of the matters which have been brought up, and I will deal with them in the course of what I have to say as to the army programme generally. I feel sure that my hon. friend is sound at heart as a Canadian, but I do not think this talk of party patronage, following an attack on a particular province, comes with very good grace from him. I suggest to the hon. gentleman that he ought to clean his own house before he starts attacking other people.

May I now deal with some of the matters in connection with the army programme in which I hope the committee may be interested. I will deal with the thirty day training plan when I come to that part of my remarks having to do with Canadian activity. My hon. friend referred to the headquarters staff rather slightingly and said that if we had a staff anything like the staff we talk about surely we never would have commenced the thirty-day training scheme, which he called a farce. The staff at national defence headquarters, in whom I have the fullest confidence —and I hope my hon. friend will come to have that confidence also, if he does not have it now—prepared an appreciation of the situation as it existed late last fall, just before we went overseas. In that appreciation they assessed as well as they could the possible eventualities in connection with the need for armed forces. That had to take into account not simply Canada but also the United Kingdom and Europe. In fact the world has become exceedingly small these days, and an appreciation of this kind practically has to cover the globe. That appreciation was not simply the work of the army staff. It was gone over by the chief of the naval staff and the chief of the air staff; it was concurred in by all those officers and submitted to defence council. Defence council went over it and then submitted it to the war committee of the cabinet, together with the measures it was thought should be taken by the navy, the army and the air force in order to prepare as best we could for half a dozen eventualities which might arise.

My hon. friend speaks about Vimy Ridge and the planning at Amiens. I am not contending that we had any such timed planning as that, but I do say we had the best plan that could be devised under the uncertain and unpredictable circumstances which faced us, drawn up by the men best qualified to do this planning. That plan was submitted to the war committee of the cabinet, where it was gone over very carefully. It was approved in principle, but it was thought wise—and I think the country approved—that we should go overseas and consult at first hand with those with whose plans we wanted to integrate ours. As has been said time and again—and it cannot be said too often—at the present

time our front line is on the English channel, and it was the effort over there with which we were endeavouring to match up. We studied the possibility of other services taking on activities which the army proposed to undertake; of the army taking on some of the activities which the navy might propose to undertake in connection with coast defence, of the army and navy taking on some of the activities which the air force proposed to undertake. The plan submitted finally was one which was regarded as a balanced plan, not balanced in dollars but balanced, so far as effort and equipment were concerned, among the three services.

Just let me say here that I really fail to understand certain criticism that every service is not matched up on the dollar sign, so far as appropriations are concerned. One might just as well say that the fire brigade and the police force in this town ought to have exactly the same number of dollars. They are two different services. One might as well say that the artillery and the infantry ought to have exactly the same number of dollars.

The minister is asking for an allotment for each service, having regard to the programme which each service has worked out, not alone, but in conjunction with the others, and in coordinated effort, under the war committee of the cabinet—and, as I shall show in a moment, in full consultation with the British authorities—in order that in all three services our effort might be most effective.

Mr. HANSON (York-Sunbury): To what criticism is the minister referring?

Mr. RALSTON: I do not think my hon. friend has referred to it, but I have noticed the criticism in the newspapers, and I believe once or twice in this committee. There has been the suggestion that because the army happened to ask for $666, the air force, $421 and the navy, $180—or $190, I am not sure which—something was out of balance.

Mr. HANSON (York-Sunbury): That has not been voiced in this house.

Mr. RALSTON: I thought it had. It certainly has in the newspapers.

Mr. HANSON (York-Sunbury): I never saw it.

Mr. RALSTON: That is what the minister had to do, and it represents a balanced programme, having regard to the facilities, having regard to the duties and having regard to the potentialities of the three services.

We went overseas. I have not before given the house or this committee any account of what happened, and perhaps at this time I might be pardoned for indicating, and the house might be interested in knowing, what was done over there. I went over there accompanied by the chief of general staff, by Colonel Magee and by Captain Malone. We went over there in order, if we possibly could, to clew up—if I may use a sailor's term—our army programme with the army programme over there.

We had the chief of staff's appreciation of what we over here believed would be the possible eventualities and possible happenings in the relatively near future. We had, in addition, our plan which had been approved in principle—that is, measures which we thought should be taken. There was no makeshift about it. These had been approved in principle, and our armed programme was developed on the basis of that appreciation.

Our visit to the United Kingdom was first, to set out what we were doing; second, to see if our programme was in step with their own, and, third, to get their views on how our contribution might be made most effective. What we were bent on attaining was the maximum useful army development in aid of the common cause. To do this required an informed appreciation of what might possibly happen, of when our forces might be needed, or what the likely or possible course of the war might be during the present fiscal year.

As hon. members can understand, a definite knowledge of future events is not given to mankind. That appreciation had to be based on probabilities, and those probabilities were to be deduced from the most up-to-date information we could get, and by making the most intelligent use of it.

I had the privilege, I believe it was on four different occasions, of being received by the British Prime Minister and discussing our problems with him, particularly the larger issues and longer views. Then the first conference was arranged with the three service ministers and their staffs. They met and gave us two hours. During that time not only was there discussion but we were given information as to what their forecasts were, what the possibilities might be, and what they were doing in connection with events which were going on in the world generally and which affected the war. They answered many questions. Our discussions were frank; we hid nothing and they hid nothing, and as a result we were able to get a clearer conception of what the job really was.

The second conference we had was with Mr. Eden, who was then Secretary of State for War, and with his staff. There the matter of Canada's participation was fully discussed. We had worked out from the plan which I had mentioned what we thought might be a

useful contribution, having regard to the information we received with respect to the needs. We were prepared to discuss in detail that contribution, or any modification of it.

Mr. Eden was accompanied by Sir John Dill, the chief of general staff, General Haining and General McCready. We there had a long discussion with regard to Canadian participation, and things we might do. We received a very clear idea what the situation was, and I think almost at that meeting arrived at the conclusions with respect to what might be our most effective contribution.

We had the third meeting with Mr. Eden, and some of his staff, with regard to the formation of a Canadian corps. Then we had a fourth meeting with Captain Margesson, who was the new Secretary of State for War, just after he had assumed the position, particularly in regard to armoured formations, and—

Mr. STIRLING: Was that confined to the army, or to the three services?

Mr. RALSTON: The first conference was with all three services. There were the three service ministers,—Mr. Eden, secretary of state for war, Mr. Alexander, first lord of the admiralty, and Sir Archibald Sinclair, the secretary of state for air. In each case there were the staffs. There were Sir Dudley Pound, first sea lord, Sir John Dill, chief of the imperial general staff, and Sir Charles Portal, chief of the air staff, and their staffs.

We had a meeting then with Captain Margesson which was most informative and instructive. Then I had two or three discussions, one particularly instructive one with Sir Allan Brooke, commander in chief of the home forces, who, hon. members will recall, was on the Canadian corps staff in the great war. That conference left no doubt in my mind as to the effectiveness of the contribution which we had discussed in the previous conference. We found that our plans were fully in keeping with the views of Sir Allan Brooke, who, I believe, had been present at two of the conferences, but with whom I had the additional conference.

Mr. HANSON (York-Sunbury): These plans, of course, were secret.

Mr. RALSTON: I will be able to announce the programme. We reached a complete agreement as to what would be the most useful and effective army contribution from Canada.

Despite the doubts of the hon. member who has just spoken, we told them our object was a full-out contribution with everything Canada has, and as fast as we could give it. And I want to say, also, that they expressed

[Mr. Ralston.]

appreciation not only for the Canadian contribution which had already been given, but for what we were about to do. And when we were talking to them, too, we assured them that we did not come in any spirit of giving charity, but in the spirit that Canada was in this war at the side of Great Britain.

The programme which we had submitted involved some adjustments in nature of formations and in timing, but it was admittedly a heavy programme in its demands on production, man-power and economic resources. Having settled tentatively on the programme which our friends over there believed would be of the most help, and would be the greatest contribution Canada could make, I did not wait until I got home to communicate that information in full to the Prime Minister and my colleagues, but I cabled them in advance. The result was that within one week after I returned home the programme was endorsed, and was announced by the Prime Minister of Canada, to the letter. That was the programme which had already been discussed and arranged tentatively and provisionally with our friends overseas.

What was that programme? It involved the dispatch in 1941 of four major groups. Hon. members must realize that men are being sent constantly. A new flight of several thousands of men arrived in England only last week. The group put on the priority list to be dispatched in 1941 was the balance of the troops for the Canadian corps. I cannot give hon. members all the details, but I can say to-day that we have in mind a definite arrangement as to the probable occasion on which the movement of these various formations will take place. Hon. members will understand that I am not in a position to give that to the house and the public.

The movement of the third division was discussed also and we agreed on the principles governing the timing of the movement of that division. We had the frankest exchange of opinion with regard to the United Kingdom equipment position and our own. We both sat down to work out a definite date or at least a definite date to be worked to on certain principles which we both understood and which have been agreed upon. I think it is clear that we will not equip the third division in whole from this side; I am speaking particularly of field artillery. This for reasons which will perhaps appear obvious to the committee, but of which I cannot give further details other than to say that the third division will be equipped.

I was present with the Prime Minister, Mr. Churchill, at a meeting with Sir Andrew Duncan, Minister of Munitions, General McCready and other staff officers in connection with equipment, and I was given the

benefit of a good deal of information respecting just what their equipment position is. There are certain understandings with regard to equipment which we both regard as satisfactory.

Mr. STIRLING: And secret?

Mr. RALSTON: Yes, with regard to equipment. Then with regard to the army tank brigade, the committee may be interested in knowing just what that formation consists of. I do not propose to give it in detail, for reasons which hon. members will understand. The army tank brigade is often confused in the public mind with the armoured brigade corps. The army tank brigade is a formation which we hope will be working with the Canadian corps. It is an armoured formation which works with the infantry and is an adjunct or supplement to these forces.

There are three tank battalions in the brigade. This formation was strongly recommended by the general officer commanding the Canadian corps and by the chief of the general staff as well. We have a joint arrangement with regard to equipment which I am sure will be satisfactory from the point of view of both sides. There is provision in the estimates for certain portions of the issue of equipment which is being communicated to our friends on the other side. This army tank brigade should prove most valuable to the Canadian corps.

Perhaps hon. members would be interested in knowing what units go to make up this brigade. The leader of the opposition has suggested that as far as possible information should be given in committee. One tank battalion will be made up of the Ontario regiment; another tank battalion will be made up of the Three Rivers regiment and another will be made up of the Calgary regiment. Then there are nine other detachments or sections:

First, 1st Army Tank Brigade Company, RCASC, made up of the 2nd Reserve Corps Troops Company, RCASC, Calgary.

Second, No. 2 Light Field Ambulance, RCAMC, made up from No. 2 Field Ambulance, Toronto.

Third, 1st Army Tank Brigade Workshop, RCOC, made up from No. 3 Reserve Army Field Workshop, Montreal.

Fourth, 1st Army Tank Brigade Ordnance Field Park, RCOC, made up from No. 1 Reserve Ordnance Store Company, Ottawa.

Fifth, No. 59 Light Aid Detachment, RCOC, made up from No. 3 Reserve Army Field Workshop, RCOC, Montreal.

Sixth, No. 60 Light Aid Detachment, RCOC, made up of No. 3 Reserve Army Field Workshop, Montreal.

Seventh, No. 61 Light Aid Detachment, RCOC, made up of No. 3 Reserve Army Field Workshop, RCOC, Montreal.

Eighth, Intelligence Section.

Ninth, Signals Section.

That is expected to be the formation of the army tank brigade.

Mr. STIRLING: Is the minister going to be able to make a statement with regard to the equipment, both present and in the immediate future, of those units?

Mr. RALSTON: Had it not been for the discussion in the house which seemed to make it necessary to lay the MacMillan report upon the table, I should have preferred not to give that information, because I think it gives valuable information to the enemy. I do not mean to be sarcastic when I say that my hon. friend can consult the MacMillan report and see the possibilities. We have an arrangement with our friends in the United Kingdom with regard to supplying any equipment which may be necessary in the event that the army tank brigade goes over before it is fully equipped, and for the replacement of equipment when the time comes.

Mr. HANSON (York-Sunbury): The minister is saying that this corps will be equipped.

Mr. RALSTON: Yes.

Mr. HANSON (York-Sunbury): Either here or in Great Britain, but he is not willing now to give us the breakdown? I am not pressing for that.

Mr. RALSTON: That is right. Now comes the armoured division which, as I say, is a vastly different thing. Hon. members will recall that last fall there was mention of forming an armoured corps. There was actually organized an armoured brigade group, which was one unit of that corps. In order that hon. members may have the terminology clearly in their minds, I may say that an armoured division consists of three brigade groups. As I say, last fall an armoured brigade group was formed. Hon. members will recall that it trained under Colonel Worthington at Camp Borden, using in part the tanks which had been obtained from the United States.

We are now forming an armoured division as a whole. This will consist of something like forty units, including signals, engineers, ordnance and all the rest. There will probably

be about 13,000 personnel. The same arrangement exists with regard to equipment. We have in mind a definite period during which that formation will be in Canada. There is a pretty good idea, as things stand now, as to when it is desired that it should go overseas. The arrangement with regard to equipment is quite satisfactory to both sides, and also the arrangement as to when it is likely to be in the field. This formation differs from the army tank brigade. It will be an armoured division which will work on its own and which will be equipped with cruiser tanks. These tanks have been mentioned in the house from time to time by my colleague the Minister of Munitions and Supply. The army tank brigade, on the other hand, is equipped primarily with infantry tanks, the mark III tanks which have been talked about. This unit is regarded as most desirable by our friends over there, and they expressed themselves as extremely gratified that we were able to make the arrangement which was made.

I do not wish to take up unduly the time of the committee, but one has to make the statement some time, and perhaps now is as good a time as any, because I am sure hon. members will be wondering whether their particular units are incorporated in the formation. I shall not mention all the units.

As I said a moment ago, there are three brigade groups. In the first brigade group, it is expected that Lord Strathcona's Horse will be one of the armoured regiments. Another will be the 1st Canadian Cavalry Regiment; another (the 3rd Armoured Regiment) will be the Fort Garry Horse. Another unit (the motor battalion) will be the Westminster Regiment.

In another armoured brigade group will be, it is expected, the 2nd Canadian Motorcycle Regiment, the 4th Canadian Motorcycle Regiment, the 5th Canadian Motorcycle Regiment, and the Perth Regiment. Just to give the locations: Lord Strathcona's Horse is at Listowel, Ontario; the 1st Canadian Cavalry Regiment and the Fort Garry Horse are at Camp Borden; the Westminster Regiment is at Vancouver; the 2nd Canadian Motorcycle Regiment, at Toronto; the 4th Canadian Motorcycle Regiment, at Sussex; the 5th Canadian Motorcycle Regiment, at Esquimalt; the Perth Regiment, at Hamilton.

In the third brigade group will be included the Cape Breton Highlanders, now at Saint John; the Royal Canadian Artillery, at Petawawa; and another unit, the selection of which has not yet been made; the 41st Light Anti-Aircraft Battery, at Petawawa; the 47th Light Anti-Aircraft Battery at Kingston, and the 87th Light Anti-Aircraft Battery, at Woodstock.

[Mr. Ralston.]

I have here two more sheets of—I was going to say, details, but they are much more than details, of anti-tank batteries, engineers, signals, field ambulances, army service corps, armoured workshops, ordnance field park, field security section, provost company, bath unit, divisional salvage unit, and divisional postal unit. This is the composition of the armoured division.

That was the programme which was arranged with our friends over there; which, as I say, involves an extremely heavy contribution in equipment, in men, and economically, and which was announced by the Prime Minister a short time after we returned home.

If the committee does not mind, I will digress for a minute to complete my remarks with regard to our overseas trip. We had other tasks over there. One, perhaps the most important and certainly to me the most pleasurable, was the visit to our troops, to see them in training, to watch them in operation, and to meet the officers. Another occupation consisted of visits and conferences, some of which I have described, with members of the government, officials of the war office, and representatives of the services, to ascertain the present position and future plans and tell them of our effort and see whether we could help, and to get an appreciation of the battle of Britain so far. I may add that my colleagues entrusted me with a number of special errands for their particular services which I endeavoured to carry out.

With regard to the troops, I have already mentioned to the people of Canada the very happy experience which I had. I spent four days visiting the Canadian troops. The first day I was with the corps troops, the second day with the first division, the third day with the second division, and the fourth day was with the holding units. I will not take the time of the committee to describe my experiences in any detail, but I wish the members of the committee could have shared in some of them. Naturally it was an attractive and interesting thing to see the troops at work, in training on the roads, in billets, and elsewhere in connection with operations. I saw our mechanical transport, the reconnaissance squadrons flying past at top speed, the field park companies on the roads with their bridging gear and that sort of thing, the units—in one place, it may be, in the trees, in another place out on a broad field—doing their training. I met many old friends and made new ones. It was naturally an exhilarating experience.

I watched the tunnelling company at work, and the so-called "pipe pushers" operating their special apparatus. I saw two fine French-Canadian units on the same afternoon, on

separate parade grounds, along with the French-Canadian brigadier who is in command, as I remember, of the Calgary Highlanders, the Regiment de Maisonneuve, and the Black Watch. I saw the Canadian Engineers, who have done such an excellent piece of work in building a by-pass road in order to relieve traffic congestion and particularly for the purpose of providing for future operational contingencies. I saw the ammunition and petrol companies on their different grounds and at their particular jobs, with their motor vehicles and transport. Naturally I had a soft spot in my heart for the infantry units of the various brigades, some of whom I saw actually on parade, others—most of them—doing their training. I had an opportunity to ride around one training ground on a universal gun carrier in order to visit all the different training operations which were going on with that battalion, scattered over a field which was probably three-quarters of a mile each way. Also the medical units struck me as particularly efficient. Altogether, the show was one which would have gladdened the heart of any Canadian.

The men over there realize the seriousness of the job ahead of them. As I told the people of Canada a while ago, our men are not over there on any adventure. Always they are looking three ways. Whatever their immediate occupation, whether it be training or marching, or perhaps some recreation, they are looking at the sky and they are looking at the coast. The training experience which I and my hon. friend who preceded me had in the old days, of being on a parade ground without fear of any interference by sea or land, is entirely different from the conditions of to-day.

We may well be proud of the men who compose our armed forces, who to-day are holding the front line in the battle of Britain. I brought from them greetings to their friends in Canada. They are determined to see the job through. They know that the time of trial may come at any time, and they are on their toes, prepared to meet it. If anywhere one could sense the slightest disappointment or any sign of downheartedness, it was because they have not so far been able to get to grips with the enemy, but they realize that the time will not be much longer delayed.

I had of course the pleasure of meeting General McNaughton and the divisional commanders, and of being with them. What I said in that regard to the people of Canada I want to underline here; that is, that no country can be more favoured than Canada in the character of the representatives which we have in our high army command overseas. General McNaughton, General Odlum, General Pearkes, and the brigadiers and battalion commanders and the others right down to the junior officers, are men we can trust and rely upon, men in whose care the honour and glory of Canada and the cause of democracy in the world are, in my humble opinion, entirely safe.

I did see at the same time the representatives of the air force. I had the good fortune to meet the officers of the first fighter squadron the first day I was there—not in London but in another town—and naturally one could not help being struck with the appearance of these clean, fine looking young men who were just at that moment out on rest but who had done their full share in defending England against the Hun and in bringing down boche planes in numbers out of proportion to their own.

I did not see the second fighter squadron, although I should have liked to. I also had the pleasure of seeing three out of four commanders of the destroyers over there. Theirs is a job, the greatness of which I think people do not fully realize, that is being done for Canada and for the empire. I talked with three of these young men. There is nothing spectacular about their work. They are out three or four days each way, exposed to wave and wind and cold, with submarines under and enemy planes over, out with one convoy and back in with another. They were in fine heart. They realized that they were doing an important job, and I think the silent service is entitled to a particular word of credit and of commendation for the splendid work which is being carried on.

I did not intend to take up so much time with a recital to the committee of what took place overseas. There were some other matters which I dealt with and in which perhaps the committee will be interested, because they have to do particularly with army activities. There is, for example, the matter of exchange of officers. Perhaps the committee does not know that we have arrangements for exchanges of officers between our Canadian forces overseas and Canada in order that Canadian officers may go overseas to get experience and officers from there may come back to this country and give us the benefit of what they have learned overseas. The other day someone was complaining about our training not being in line with Canadian corps training. We had overseas for two months the director of military training who visited all the formations and got into touch with the training staff, obtaining the best and most thorough information he could as to requirements, so that this might be translated into action when he came back.

Some of the things to which my hon. friend has referred—the four-month training and the

matter of training officers, for example—are the results of visits of the director of military training at that time, followed by what my associates and I learned while there. We have a staff school overseas, and as soon as the young men who are at that staff school have finished their training we propose to move the school back to Canada in order that young men here may be trained for staff work which will be necessary overseas. In that same connection, in the programme which I have, and which I am placing before the committee, with regard to training, there is provision for the training of between four and six thousand new officers in the coming year at the officers training centre. There will be quite a number of staff officers who will be needed.

At the same time we had the deputy master-general of the ordnance over there to go fully into the question of the provision of motor vehicles, design, the use of them, convenience, how they were standing up, and so on, and he went around seeing the different units and making his examinations with a view to ensuring the very best service that can be given from this side.

I saw the forestry corps; I saw the tunnelling companies, and I also visited the First Lord of the Admiralty in connection with some errands which my colleague the Minister of National Defence for Naval Services (Mr. Macdonald) had asked me to take on, and particularly in connection with what the Minister of Munitions and Supply (Mr. Howe) mentioned last night, namely, the provision of personnel to assist in starting destroyer construction in this country. I had many jobs and made many visits at the air ministry in connection with a number of matters, one particularly being the identification of pilots under the air training scheme. Special matters were discussed, many items of supply. Those were considered before my colleague the Minister of Munitions and Supply arrived, and after he got there I was happy to hand these things over to him.

We had several opportunities, in connection with air matters, of meeting Lord Beaverbrook and attending the experimental stations where aircraft are tested and tried out, where aircraft are adjusted, where research is done, and of learning of the aircraft supply over there and the development of new types of machines.

I really did not intend to take so long, but that is just a brief resumé in a conversational way of what was done overseas. I came back with this programme to which I have referred, feeling that it was a programme which our friends over there desire to see put into effect. On this side, I do not propose to go into details, in numbers or anything of that kind. Hon. members know that if we really had a bird's-eye view of Canada we should see this country literally seething with military activity from Halifax to Vancouver. As hon. members know, there are district activities. I had the pleasure only a few weeks ago of having in the district officers commanding in order that we might give them the benefit of what we had learned overseas and that they might understand our plans and have their district activities integrated with those at headquarters. We have camps from Nova Scotia to British Columbia, at Sussex, Aldershot, Valcartier, Petawawa, Barriefield, Borden, Shilo, Dundurn, Sarcee, Nanaimo and other places which perhaps I have missed. In all these camps military activities are going on, where men who would like to get overseas and into this war are stationed for the present, unable to go because of the fact that the situation over there has assumed the static position it has up to the present time.

We have, as hon. members know, coastal defence units, security guards, guards at internment camps and guards at vulnerable points. We are inaugurating in Canada a system of training both for military and for trades vocations which I feel sure will be of undoubted advantage.

That brings me to what my hon. friend has mentioned with regard to recruiting. If my hon. friend is sincere—and I accept his sincerity fully with regard to the matter of recruiting—he will realize that recruiting in Canada at the present time is not the most glamorous affair, not anything like recruiting in the last war. In the last war we had battalions which prominent men in various communities were authorized to raise, and a recruiting campaign was put on. I happened to be a member of a unit which was recruited in that way, with an extremely fine commanding officer. A brigade was recruited with all the glamour and fanfare of a recruiting campaign and an evangelistic meeting. But the situation was that when we got overseas, three battalions of the brigade which had been recruited with all that fanfare and who had been promised that the boys would eat and sleep and fight together, were broken up to form reinforcements of other battalions. This was necessary because of the military situation.

While we may not have the same glamour in connection with recruiting that we had last time, this is not by any means a glamourous war. I do not know anything that is more grim, more drab than the people of Great Britain having to sit down as they do

night after night with bombers flying over them and without being able effectively to strike back, waiting for the time when they may be able to join issue. We in Canada should be thankful that the situation is as it is, that we are comparatively safe, that we have freedom of action, that we are able to train without all these difficulties which the men overseas have. I ask my hon. friend who spoke last and talked about men having distrust and suspicion and unrest and all that sort of thing, to preach the doctrine of trust and content and determination to prepare and to serve this country when the time comes.

In this matter of recruiting which my hon. friend has stressed, because he is, I think, a member of a reserve unit himself, and this matter of reserve units, does he realize that we have to-day in Canada no fewer than 175,000 men in reserve units, in addition to over 200,000 that we have in the active service forces? I have made it plain to this committee time and time again that we have not all the equipment we want; does he think that at this time we could possibly equip and train all these units? I ask him to give the staff at national headquarters credit for doing a little planning. What we are endeavouring to do at the present time is to put first things first. We have an active service force recruited in Canada, and we have many who would like to go overseas but are not able to go yet. We have these reserve units.

My hon. friend says he does not like the way in which recruiting is being done. If he is a true member of a reserve unit and trying to do his duty as a Canadian, let me say that reserve units have two roles. One is that if they happen to have a first battalion mobilized overseas—I do not know whether his unit has or not—their first role is to provide recruits as wanted to fill up the ranks of that battalion. The time may come—God forbid that it shall—when that unit may have all it can do to do so, if the battle of Britain strikes as we think it may. Their second role is to do their share in providing the number of recruits which is asked for or allotted to the particular district in which the reserve unit is, to ask these men if they want to enlist, to enlist them and send them to join their battalion.

It is a wonderful thing to be able to go over with your own unit if you can; I know how it broke our hearts to have the Highland brigade broken up, but it had to be. We are in this war to win it, and the only way is by trained man-power equipped with weapons, and with some planning being done. We cannot possibly mobilize 175,000 men in units and send them overseas. I know what the needs are overseas, I know what is told me by the staff there, and I am giving the committee the programme as it is given to me. I say to my hon. friend, his job in a reserve unit is to see that their active unit, if they have one, is kept up to strength; second, to furnish its share of the quota of recruits which may be asked for at any time from the particular district, and, third, to keep his unit in as good shape as he can, so that if the time does come when it is needed as a unit it may be mobilized just as these other units that I have mentioned this afternoon. That is not a job that should make anyone in a reserve unit downcast. I grant it is not spectacular; it means hard work, but no man in a reserve unit need get discouraged and go home and say he does not want to train any more. I know men who are training now and have been for eighteen months and do not know whether they will ever get overseas, but they believe that this job is bigger than the individual, and bigger than the battalion, and they will do what they are told is the best to do in order that our cause may be successful.

That is the situation with regard to recruiting. A call may come for recruits. My colleague the Minister of National Defence for Air needs a number; as I have said, probably between forty thousand and eighty thousand may be needed for the army this year; but many will not be raised by mobilizing battalions, many will have to be raised by the reserve units in numbers as may be required from time to time by battalions which are already mobilized, or new formations. I say to my hon. friend and every hon. member—because there are a good many hon. members who have come to me with regard to reserve units in their constituencies which would like to be mobilized as a whole—there is no man in this house who knows better or realizes more sincerely than I the value of esprit de corps. I know what it means in a unit, and I know what it is to have it broken. At the same time, when that esprit de corps was broken by having the unit broken up we did not sit down and suck our thumbs, we went to work and endeavoured to help build an army out of what was left. I know that my hon. friend's unit and every other unit will do the same. As far as military exigencies will permit I will do everything I can to see that a unit is mobilized as a whole rather than simply sent as reinforcements. More than that I cannot say, and hon. members would not expect me to say more.

That recruiting method, while it may seem drab and unspectacular, is the only method we can adopt at the present time having regard to the demands on our man-power in this country. The reserve units of this

country have been recognized as they never were before, are being mobilized many of them as a whole or made the back-bone of our recruiting organization, and I believe the reserve units will respond to the call to maintain that role and do their very best in whatever capacity they may be called upon to help win this war. That is the true spirit of patriotism, and that is the spirit of these reserve units which we used to call the non-permanent active militia.

Now a word regarding training activities in Canada. My hon. friend referred to the "farce" of the thirty-day training plan. I take issue with my hon. friend. I believe there have been some valuable lessons learned in connection with that plan. I believe as a whole the training camps have been extremely useful in teaching men their responsibilities as citizens. We have had ninety thousand men, many of whom probably did not think of going into military life at all but who have had an opportunity to see what a military camp is like and have had training of an intensive kind. My hon. friend referred, I think, to only twenty-two days' training; he may be a little off in that connection—

Mr. HANSON (York-Sunbury): Not far off.

Mr. RALSTON: Let us see. I suppose he will admit they would not train on Sundays; so take away four Sundays. Then there are four Saturday afternoons; I do not know whether he wanted them to train Saturday afternoons. That is two more days off. On Saturday afternoons they had recreation. There was also a day in and a day out. That is why there are twenty-two days of actual training. I say to my hon. friend, to any man in this house and to any man in Canada who knows anything about military training, that this twenty-two days of training was the most intensive and the best twenty-two days of practical training we have had in this country since confederation. I know there are some hon. members on the other side who will agree with that. I have no hesitation in saying that it was a training scheme splendidly conceived and splendidly worked out. There was no opportunity for men just to go to camp and do nothing. Those camps were places where they went and worked hard, improving themselves physically, learning something of the spirit of discipline which should pervade a military camp. That is good for citizenship and good in after life. We have had the benefit of that in connection with those ninety thousand men.

Already it has been said that the thirty-day training was all we could give, but we did not turn down the plan and do nothing because we could give only thirty days. We did the thirty days training, and did it well. I have no apology whatever to make in connection with the thirty days training; I think it has been a remarkable success. I want here to publicly congratulate the officers who had charge of working out the syllabus, the officers at the camps who so efficiently carried it out, the staff who were able to put up the buildings in the short time available, and those who planned and procured clothing, equipment and rations. These thirty-nine camps were started only in the late summer, and they had to be ready for October in order to get on with the plan.

That was the thirty-day training plan. I am not going to say more about it. I had some other points with regard to it, but I am not going to take up the time of the committee with them just now. Let me go on to what we have planned. I said we were planning for four months training. I said one of the things I had to do overseas was to ascertain the situation over there with regard to training. When I got over there I went into this matter of training thoroughly; and contrary to what some people and some newspapers have said, that training at military training centres is regarded as the greatest development in this war as far as training is concerned. There has been a great deal of talk about why these men did not train with their units, that it was so much better for men to train together. The point is that you have to give a man a certain amount of physical training, a certain amount of discipline, a certain amount of the rudiments of soldiering, before he is able to work in a formation at all; and with all due respect to the officers of the various units, who have given freely of their time, they have not the opportunity to do the intensive work that is done by the men who for the time being are put on the permanent staff, taken outside of Ottawa to the Connaught ranges and given special courses and special instructions, who are given a syllabus which must be rigidly lived up to, and who are provided with instructors who know their jobs. That is what makes the thirty-day training scheme; that is what makes the value of military training centres as compared with training in units. I can say to the committee that I have the highest military authority for stating that training in training centres far surpasses training in units for elementary and basic work. That is why the thirty-day training was done in that way. That is the way in which basic training is done in England, and that is the way in which it is being done in the United States at the present time, in order that they may get the most for their money in the shortest possible time.

Mr. HANSON (York-Sunbury): Not thirty days; twelve months.

Mr. RALSTON: I am talking about the value of training centres vis-a-vis training in units. I have spoken about the thirty days and told what instruction the men received in that period. Training in training centres far surpasses training in units, and I hope everyone will accept that statement because, as I say, I have the highest military authority for it, and it is not military authority confined to Canada by any means.

I come now to the four months' training. I found over there that they felt it desirable that, for basic and specialist training, the period should be four months; that is, two months for basic training and two months in specialist training in whatever arm of the service the man might desire. So we came back and announced the plan. The hon. member who preceded me mentioned farmers and suggested that they should be exempted. We announced what we thought was a modest plan—

Mr. HOMUTH: I do not want to interrupt the minister, but I do not think the hon. member suggested that farmers should be exempted. He said they should be given consideration.

Mr. RALSTON: I heard what the hon. member said. He did speak about farmers and he asked that some exemption or some postponement or something of the kind should be extended.

Mr. HOMUTH: That is different.

Mr. RALSTON: I am not at all criticizing my hon. friend for that. So far as the farmer is concerned, in due time my colleague the Minister of National War Services will announce the regulations; probably they will be announced to-morrow or the next day, and I think they provide sufficient latitude with regard to the farmer occupation.

As I said, we came back and said we had a modest plan for four months' training. How will we do it? We will combine the training centres of the active service force with the militia training centres; we will put them together. We propose to establish, and we are establishing in Canada at the present time joint training centres; that is to say, the basic training centres plus the additional training centres which will be formed, probably about sixty in all. In a moment or two I shall give the committee a list of the centres and where they are being established. We found that we could do this by taking only the twenty-one year old class, for the time being. That would do away with a great deal of the difficulty which industry contended it was experiencing with regard to the exemption of men who were in the trades class. That would mean that industry would not be seriously troubled, or at least we felt that would be the situation. It would mean the same thing with regard to the farming class; only the twenty-one year olds would be affected, and therefore exemptions or postponements with regard to farmers would be fewer.

We found that we had in Canada in these active training centres and the militia training centres total accommodation for 44,000 men. We expected that accommodation for 4,000 would be required for the special training of officers, non-commissioned officers and instructors in small arms, and proposed that the accommodation for the remaining 40,000 should be divided into basic and advanced training centres, with 20,000 in each. The training centres under the National Resources Mobilization Act are to be converted into these basic training centres, while the present active service training centres plus a few of the training centres under the mobilization act are to be converted into the advanced training centres. From the capacity and locations of these camps we estimate that when the plan is running fully, we shall be able to accommodate between five and six thousand each month, so that at the end of four months we shall be turning out each month from five to six thousand of these men called up under the mobilization act, in addition to men of the active service force.

My hon. friend thinks we have not had any plans in view. That means that in addition to the reserve units we have in this country aggregating, as I said a moment ago, something like 175,000, we will have in the year, or let us say in six months, about 30,000 to 35,000 four-months-trained men, in addition to the reserve units, in case they should be needed for service in the defence of Canada.

These training centres are being established all across Canada. Hon. members know now where the basic training centres are, but possibly it would be well if I were to place a summary on record.

Mr. GREEN: Before the minister proceeds to that point, may I ask him if the figure of 183,015, which I find at page 1144 of *Hansard*, and which refers to the number of men in the ranks of the reserve army, includes the 90,000 who have already been through the compulsory training camps, but who are not actually in the reserve army?

Mr. RALSTON: I believe it does, but I would have to check on that point. The summary of active training centres is as follows:

Artillery	4
Engineers	2
Signals	1
Armoured Corps	2
Infantry	7
Machine guns	2
Army Service Corps	2
Ordnance Corps	1
Army Medical Corps	1
Total	22

This tabulation shows a total of 22 advanced training centres. In addition to that there is a unit area training centre, two officers training centres, the 29 basic centres to which I have referred, and two others, making a total of 34 basic training centres, which, added to the 22 active training centres, make a total of 56. In addition to that there are two instruction schools, making 58 in all.

What we propose to do is this—and I might as well put it on record: We are allotting the training centres in this way:

Petawawa—
(1) The present artillery training centre.
(2) A second advanced artillery training centre.
Winnipeg—An advanced artillery training centre.
Brandon—An artillery training centre.
Petawawa—Engineers.
Dundurn—Engineers.
Barriefield—Signals.
Borden—
(1) Armoured corps.
(2) New training centre for reconnaissance battalion.
(3) Two infantry training centres.
St. Hyacinthe—Infantry training centre.
Valcartier—Infantry training centre.
Aldershot—Infantry training centre.
Winnipeg—Infantry training centre.
Calgary—Infantry training centre.
Three Rivers—Machine gun, forestry wing.
Dundurn—Machine gun training centre.
Borden—Army Service Corps training centre.
Red Deer—Army Service Corps training centre.
Barriefield—Ordnance corps.
Ottawa—Army Medical Corps.
Long Branch—Small arms school training centre.
Nanaimo—Small arms school training centre.
Brockville—Officers training centre.
Victoria—Officers training centre.

These are advanced training centres. There are two training centres for coast defence and anti-aircraft, and there will be two officers' training centres for Canada.

Mr. HANSON (York-Sunbury): How many of these will be new camps?

Mr. RALSTON: I have not read any that are new camps. I do not anticipate that there will be any new ones.

Mr. HANSON (York-Sunbury): I rather gathered that they were new camps.

Mr. RALSTON: No; they are new training centres, but not new camps. By "new" my hon. friend probably means new establishments?

Mr. HANSON (York-Sunbury): Yes.

Mr. RALSTON: The following is a list of the basic training centres:

Kitchener	Chicoutimi
Chatham	Megantic
Woodstock	Levis
Brantford	Montmagny
North Bay	Rimouski
Newmarket	Yarmouth
Cornwall	Charlottetown
Peterborough	New Glasgow
Farnham, district school	Fredericton
	Edmundston
Huntingdon	Portage la Prairie
Joliette	Fort William
Sherbrooke	Vernon
St. Jerome	Regina
Sorel	Camrose
Valleyfield	Grand Prairie
Valcartier (unit area)	

These will be the locations of the training centres. As hon. members will see, we have combined the militia training centres, in most instances using them as basic training centres, with the advanced training centres which are in camps such as Petawawa, Borden, Barriefield, and so on.

Mr. CASSELMAN (Grenville-Dundas): Is it the intention of the government to stay within the 21-year class in calling out the men?

Mr. RALSTON: As was intimated in the Prime Minister's announcement, it just depends on what the needs are.

Mr. CASSELMAN (Grenville-Dundas): But what happens when you run out of the 21-year-olds?

Mr. RALSTON: We will not run out.

Mr. CASSELMAN (Grenville-Dundas): In the second or third year.

Mr. RALSTON: I am not looking to the second or third year yet.

Mr. CASSELMAN (Grenville-Dundas): I meant to refer to the second or third class called out this year. Will the department then take the 22-year-olds, or turn to those who have just reached twenty-one?

Mr. RALSTON: We are advised on the numbers available that there will be sufficient; we anticipate there will be sufficient.

Mr. HANSON (York-Sunbury): The minister has indicated that it is anticipated that only men of the 21-year-old class will be

trained under this plan. How does that jibe with the statement given to the house and country by the Minister of National Defence for Air to the effect that everyone from twenty-one to forty-five years would be training?

Mr. RALSTON: The hon. member would not take them all at once, would he?

Mr. HANSON (York-Sunbury): No; but that is what the minister told the country.

Mr. RALSTON: But the hon. member would not expect to have them trained all at once?

Mr. HANSON (York-Sunbury): No; I did not believe it at the time, and I do not believe it to-day.

Mr. RALSTON: I am advised by officers in whom I have the fullest confidence that, having regard to everything we can foresee, this plan will take care of our needs for the defence of Canada provided recruiting—and in spite of what the hon. member who preceded me has suggested—keeps up to a reasonable degree. I have not the doubts and fears entertained by my hon. friend in that respect. If the call comes, I think the men of Canada will answer.

Mr. HOMUTH: The minister has continually used the term "defence of Canada"; to what extent does that go?

Mr. RALSTON: It means exactly what my hon. friend understands it to mean. Under the National Resources Mobilization Act men are liable to be called out for service in Canada or within the territorial waters thereof. That is what it means.

Mr. HANSON (York-Sunbury): And the front line is in the English channel.

Mr. RALSTON: My hon. friend served under a leader who declared exactly that.

Mr. HANSON (York-Sunbury): That does not mean a thing to me to-day. I am not static, if the minister is.

Mr. POWER: The same would apply to my statement respecting men of 18 to 45.

Mr. RALSTON: Possibly the committee will not be particularly interested in the details of officers' training in those training schools. I have a full statement with regard to it.

Mr. HANSON (York-Sunbury): That is a syllabus?

Mr. RALSTON: It sets out the number of weeks which are spent in the ranks, the number of weeks spent studying certain subjects common to all arms, the number of weeks spent in studying organization, tactics and equipment and the number of weeks spent upon advanced training.

Mr. STIRLING: Does that cover all ranks?

Mr. RALSTON: This is for officers.

Mr. STIRLING: Second lieutenant up?

Mr. RALSTON: Second lieutenant, then captain, then major and so on.

Mr. STIRLING: Does it provide for a major to prepare for promotion?

Mr. RALSTON: Yes.

Mr. ISNOR: I believe the minister stated that an infantry unit would be trained in Nova Scotia, but that coast defence units would be trained in central Canada or other portions of Canada. Why is such a system being put into force?

Mr. RALSTON: My hon. friend is wrong. I stated that two coast defence units and anti-aircraft units would be formed, but the locations are not given on the sheet. Let me go back to the thirty-day training for a moment and put on record what I have with regard to the usefulness of this scheme. Apart from racial, religious, economic, occupational and language differences between the young men of this country, I would divide them into two main groups:

(a) Those who have not had the opportunity of belonging to a unit, navy, army or air, in peace time either by reason of the exigencies of schooling or occupation, or by reason of their geographical position;

(b) Those who may have had an opportunity for military service but who have had no family connection with military life, therefore know nothing about it, and would be naturally hesitant to take part in something which must necessarily be foreign to their normal life.

The thirty-days' training has produced the following results:

(a) Young men of the first group have had an opportunity to undergo military training and are now enrolled in reserve units. In many instances, individuals who live in small towns and villages and in the country have, upon returning from training centres, organized classes unofficially in their own localities; physical training, shooting, and drill, based upon the instruction they themselves have received;

(b) Young men of the second category have learned the camaraderie and the interest of military life, and that service of one form or another is incumbent upon the individual in time of war.

(c) Training centres have impressed recruits with their individual responsibility to serve whether their service is in agriculture, the armed forces or in business. Many young men who have never thought of anyone other than themselves have, through barrack room life, learned the lesson that in a democracy one man's happiness depends to an increasing extent upon another man's actions.

(d) Young men of widely differing religious, racial and economic groups have lived, worked and played together for a month and they learned that "the other fellow is really a very good lad." An experience such as this cannot fail to have a lasting effect upon each recruit.

The standard of training laid down to be achieved by each recruit is one which has been highly beneficial, from the point of view of both physical training and discipline. I do not know whether the hon. member who preceded me referred to the fact that young men have returned home from training centres and organized physical training, shooting and military drill based upon the instructions they themselves received. Such instances have been brought to my attention.

Mr. ROSS (Souris): Just what does this enrolment with reserve units imply? Do the young men take any further training, or do they report every so often?

Mr. RALSTON: I think it was provided in the regulations whereby those in the reserve units are entitled to take training and be paid if the others are. Such men are to be entitled to the same privileges as those already in the unit. The hon. member who preceded me stated that there was no incentive for these men to attend, but there is the same incentive for them as there is for the original members.

Mr. ROSS (Souris): There are large areas without any reserve units. Will that mean that these names simply appear on paper?

Mr. RALSTON: I suppose that must be the case if there is no reserve unit.

Mr. HANSON (York-Sunbury): In the rural areas, like in my own county.

Mr. RALSTON: There are reserve units not very far away in that locality. I may say that in connection with the present plan, instead of having them placed on the reserve units, provided they apply to be put on the rolls, it is contemplated to have them placed on a general roll. They would then be members of the militia.

Mr. HANSON (York-Sunbury): They would be in the reserve army to be called upon for the defence of Canada.

Mr. STIRLING: Is the practical difficulty not the fact that so many of them live such long distances from their reserve units that they find it impossible to attend to keep up their training?

Mr. RALSTON: There may be some who live long distances from the reserve units, but these units are spread pretty thickly throughout the country and most young men would have a reasonable opportunity to attend.

Mr. CASSELMAN (Grenville-Dundas): I should like to know the number of officers who will receive training in these two officers' training centres that are being set up, where those officers will come from and whether they are officers now on the strength of the reserve unit.

Mr. RALSTON: As I suggested when I was speaking, there will be probably between 4,000 and 6,000 altogether. These men will be recommended by their officers commanding as cadets to take the course. The requirement for men from the active force is that they shall have served four months in the ranks. Then, if they are of the calibre which the officer commanding thinks could be usefully used in connection with officer work, they go to the officers training centre. For the first four weeks they are given subjects common to all arms. For the next six weeks they are given organization, tactics and equipment according to the particular arm of the service to which they want to go, be it infantry, artillery or any other arm. For two weeks they are given platoon training or training in equipment or tactics, depending upon the nature of the particular unit to which they belong.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. FULFORD: I am sorry that the hon. member for Hastings-Peterborough (Mr. White) is not in his seat, in uniform, to-night. When he spoke as reported in *Hansard*, I was sorely tempted to answer him. I refrained, however, because I felt that his accusations were too petty and too ridiculous to deserve any answer. Those of us who were at Petawawa at the same time as he was know that conditions were entirely different from those he related. I happened to have been in lines not very far from his.

He complained of the dampness. I admit that we arrived under particularly unfavourable auspices at Petawawa, and that the men

complained during the first day. We reached the camp in what was almost a cloudburst; but by noon of next day we were completely dry, we got our lines in order, and from then on I did not hear a single complaint from any of our men.

One reason why I did not answer the hon. member for Hastings-Peterborough was that I am not in uniform; but, Mr. Chairman, I want to tell you that I am just as much a member of the reserve army in Canada as is the hon. member for Hastings-Peterborough. If I do not choose to wear a uniform in the house, that is my business.

I have often heard it said that for the most part dissatisfaction in a regiment can be traced direct to the doorstep of the adjutant. I believe it is unnecessary for me to tell this committee who is the adjutant of the second battalion of the Prince Edward-Hastings regiment.

He complained that there was lack of equipment. Mr. Chairman, I assure you that the Brockville Rifles, of which I had the honour at that time to be a second lieutenant, was well equipped. We did not have all the service unit, but we had Lewis guns, and a rifle for each man. We had fifty Ross rifles. Incidentally, the Ross rifle is a good Tory product of the last war.

Mr. DIEFENBAKER: And this.

Mr. FULFORD: And a better target rifle, I believe, has not yet been designed.

Mr. HANSON (York-Sunbury): I thought Sir Frederick Borden brought in the Ross rifle.

Mr. FULFORD: Sir Robert was, as I remember him, a good Tory.

Mr. HANSON (York-Sunbury): If the hon. gentleman's other statements are as correct as that, I am sorry for him.

Mr. FULFORD: "Sir Robert", I thought the hon. gentleman said.

Mr. HANSON (York-Sunbury): No, I did not say "Sir Robert".

Mr. FULFORD: The Ross rifle was manufactured under the Tory regime of the last war, at any rate. As a target rifle, the Ross rifle was unexcelled. As a service rifle, it was no good. But that is apart from the subject; and I intend to be very brief.

I have been informed that military district No. 3 would provide equipment if given sufficient time. Our adjutant gave sufficient time, and we got the equipment. Therefore I think, before the hon. member for Hastings-Peterborough rises in his place and makes any more accusations, he had better take stock of himself and realize that the statements he makes in this chamber should not be taken any more seriously than, apparently, he is taken, by his own men.

Mr. HANSELL: The debate so far has almost covered the universe. We have discussed more than anything else, perhaps, the Department of Munitions and Supply and the Department of National Defence. I am wondering whether we might not get back to "the more weighty matters" of the resolution.

The resolution stands in the name of the Minister of Finance (Mr. Ilsley), and primarily, I believe, involves his department. For that reason I do not think the resolution should pass without the minister answering one or two questions which to my mind are important.

We are asked to vote authority to raise by way of loan an amount which somebody said the other day was almost equal to the entire debt of Canada since confederation. The resolution calls for the borrowing this year of the tidy sum of $1,300,000,000. Whenever I write that figure down in my notes I do not know where to stop writing the noughts; I I have to go back and count them all to see if I have inserted enough of them. Our national debt for this young country, with the population of only around 12,000,000 people, has begun to reach figures of an astronomical proportion, and it is doing so without much hope, if any, of this country ever paying off its debt. The other day I did a little browsing in the year book, and I discovered that at the end of the last war our debt stood at $1,191,884,062.50. At the beginning of this war our national debt stood at $3,101,667,570.25, which is an increase in the debt in peace time, between the close of the last war and the beginning of this, to the tune of $2,009,783,507.75. During these twenty years of peace we paid interest on the first great war debt, and during that period we had thirteen years of deficit and seven years of surpluses. I think the minister will have to admit that he has departed from his pay-as-you-go policy.

With regard to paying off this debt, it must be realized, I think, that the time will come when this vast debt will have to be paid off. If we could not at least reduce our debt during years of peace and, in part, of prosperity, how on earth shall we be able to do so if the debt grows even higher, and that by leaps and bounds? The minister should tell the committee and the country exactly how he proposes to pay off this debt when the war is over. I ask this question in all honesty because I have been asked the same question myself, and I must confess that by orthodox methods; under our present financial policy I am stuck for an answer.

Some weeks ago I received from the Minister of Finance a telegram, which I have no doubt all hon. members received, asking us to get behind the war savings certificates campaign. As a result of this, I had the privilege of addressing a number of public meetings and I urged people to buy war savings certificates. But I do say that more than one person asked me if I could tell how this mounting debt would be paid off and how these certificates would be honoured.

I might have replied in any one of several ways—I believe I did—but I did not reply in a way that would conscientiously satisfy myself. I could have replied that our first responsibility is to win the war. I believe I did answer one man in that way, and I think that is our first and primary responsibility. Nevertheless, that does not answer the question. I could have replied that Canada always pays her debts, but that does not answer the question. I might have replied in a third way, namely, that the business of paying off the debt will be the problem of the government that is in power at the time. But none of these replies really answers the question, and I have reason to believe that people are asking themselves this question. If they ask me the question they are certainly asking it of themselves.

One man came to me and said: "You cannot borrow your way out of debt; therefore, in order to raise money to pay off the debt, under orthodox methods, the people will have to be taxed. If you tax people you reduce purchasing power. If you reduce purchasing power you reduce business. If you reduce business you reduce manufacturing and production. If you reduce production you reduce income. If you reduce income you reduce the people's ability to pay taxes. So where will you end?" It is the same old vicious cycle. The people have a right to know some of these things.

Last night I was interested in the speech by the leader of the oppositilon (Mr. Hanson); I thought he more or less went to town. He got back to some of these things. He asked the Minister of Finance some pertinent questions, which should be answered, relative to how much of this huge amount will be raised by taxes and how much by loan. He said that the minister should tell the people of Canada and this house how he proposed to get this money. A more pertinent question should be answered. The minister should tell the country how he proposes to pay off this huge debt. I think we should know how much will be raised by public subscription—and I mean by that, how much will be raised by subscriptions of the people out of direct savings—and how much may be expected to be raised by the direct action of the banks. In saying that, I wish to interject this observation, that the banks do not lend their depositors' money. That is certain. If they did, then we could not call upon depositors to buy war savings certificates out of savings.

Some days ago, on February 20, the hon. member for Lethbridge (Mr. Blackmore) made a statement to which the Minister of Finance replied. The hon. member for Lethbridge said:

> It must, however, be apparent to everyone in Canada—and that the minister should frankly acknowledge—that this great sum of money is not going to be taken from the people entirely by taxation or by borrowing from the people's savings but that a very large percentage of this great levy is going to be obtained by the direct creation of new money.
>
> Mr. Ilsley: I do not agree with that at all.

That will be found at page 869 of *Hansard* of February 20.

When the hon. member for Acadia (Mr. Quelch) asked the minister a question concerning borrowing since the outbreak of the war, the minister kindly brought down a statement, and I discovered in it that the issues which were sold to the chartered banks amounted to something like $490,000,000, which is nearly a third of the total borrowings. There seemed to be some conflict between the minister's statement that he did not agree with the member for Lethbridge, and the table that was brought down. I think the table is correct, and it is only right to point out that nearly a third of our borrowings since the outbreak of the war has been by the direct action of the banks.

We should be frankly told how much of this $1,300,000,000 is to be created by the chartered banks of Canada, and I would ask the Minister of Finance to give consideration to this, because it is a question that is in the minds of many of our people: If the chartered banks can create, as they have done in this way, $490,000,000, why cannot the government-owned Bank of Canada create the money and lend it to the government without interest?

There is a danger or, shall I say, a possibility of the chartered banks eventually buying up all government securities or bonds by direct action in the creation of fresh credit. I am going to make a suggestion, because I believe the people of Canada have a right to know some of these things. I suggest to the minister that he send the bill to be founded on this resolution to the banking and commerce committee, so that experts can be called to submit their best advice as to possible repercussions of borrowings in such huge proportions as this. The people have a right to know how private enterprise will function and what

liberties these institutions may enjoy during these war years when credit expansion of this sort goes on.

In the last war some startling things happened in the field of finance. I am speaking particularly of Great Britain, and I do not think the financial policy of the two countries is any different now. I have been reading lately an interesting volume. If I quote from it, some hon. member is bound to ask me what I am reading from, so I will tell him now. This book is in the parliamentary library, the title is "The Financiers and the Nation." It is written by the Right Hon. Thomas Johnston, privy councillor, ex-Lord Privy Seal. I believe he is at the present time connected with the British government; if I am not mistaken, he has been appointed Secretary of State for Scotland. I think he should be an authority. With regard to the manipulation of finance in the last war he calls attention to certain advertisements that were published in the British papers by the banking institution. Here is one that appeared in March, 1916. The Bank of England, without any apparent sense of shame, issued press advertisements reading:

If You Cannot Fight.

If you cannot fight you can help your country by investing all you can in five per cent exchequer bonds. . . . Unlike the soldier, the investor runs no risk.

The author goes on to say:

Yet all these efforts surely paled before the shameless greed of the third great war loan in January, 1917. No foreign conqueror could have devised a more complete robbery and enslavement of the British nation. The rate of interest on war loan was jumped to five per cent (or at the option of the investor, four per cent free of income tax until October, 1942) and the holders of previous war loans and treasury bills and war expenditure certificates were invited to come in and convert their old stock into the higher rates of booty, and for each £100 of stock in the new loan only £95 had to be subscribed, so that the rate of interest really had been raised to 5⅓ per cent. Into this five per cent war loan tumbled the holders of £820,000,000 of the 4½ per cent loan, thus securing an extra half per cent, or £4,000,000 in addition to the increases which many of them had secured when the rate of interest was previously jumped from 3½ per cent to 4½ per cent. And not only were the 4½ per centers permitted to convert into the five per cent war loan, but the holders of £130,000,000 of treasury bills and £280,500,000 of exchequer bonds also converted. The new five per cent loan of £2,075,750,000 secured only, in fact, £844,750,000 of new loans, the balance being paper conversions from old lower interest stocks, whereby the converters were enabled to dig deeper into the national pocket than they had hitherto done.

But that was not the sum total of the iniquitous ramp which the lackeys of the money interest imposed upon us with the five per cent loan of 1917. The investors were made exempt from all British income tax upon their interest payment if they chose to go and live abroad. Mr. Lloyd George has himself testified that this five per cent loan was raised at "a penal figure".

And he quotes from the "War Memoirs" of David Lloyd George, as follows:

The same rate governed subsequent borrowings, which by the end of the war had added a further £4,000,000,000 to our national debt. It cost the country a dozen years of remorseless deflation and concomitant depression to bring interest rates down again to a level that would enable this vast sum to be reconverted to 3½ per cent. Throughout the interval, not only was the country taxing itself to pay a sum ranging at one time as high as £100,000,000 a year more than it would otherwise have done, but the high yield of a gilt-edged government security kept up rates all round, and made money dearer for all enterprises, industrial, commercial and national. It would be hard to estimate the sum total of the price paid by the nation in every department of affairs for the decision of Mr. McKenna in 1915 to increase the rate of interest paid by the government on its war-time borrowings. His action had, no doubt, the fullest authorization from the leading circles of banking and finance. But the country has since then had ample evidence that these circles are by no means to be reckoned as infallible advisers.

Then, again, in the magazine The Nation of June, 1917, we find this:

A huge proportion of the money loaned to the government is inflation representing no real savings on the part of the bankers and financiers who have manufactured it themselves. This means that when the war is over . . . the propertied men in this country will be several thousand million pounds the wealthier.

I could continue with these quotations. Perhaps I might here refer to some results of this type of war financing. The writer is referring to the summer of 1921. He says:

By this time saner elements in the city had come to the conclusion that the limits of interest raising and capital conversion into increased plunder of the national debt had, at last, been reached. The public would stand no more of it. Yet new vistas of profit opened up to the rentier class when Wall street and London city agreed to begin a policy of price deflation. The idea was that the bankers were to call in loans and overdrafts: they were to compel manufacturers to throw their goods hurriedly upon the markets so as to raise cash for the repayment of their bank loans. At the same time the government were to throw their surplus war stores in clothing, etc., upon the markets, thereby intensifying the glut in the markets and making a fall in prices inevitable. As the prices of consumable goods fell, wages were to be broken.

One more quotation and I shall have finished. These quotations are, to say the least, startling.

Doubtless there were many millions of money lent patriotically to the state, money whose owners were disturbed and ashamed at the profiteering in finance which made riot during and after the war. The Right Hon. Stanley

Baldwin, for example, who was financial secretary to the treasury, and saw at first hand the roguery and ravenous greed of finance while the nation was *in extremis*, anonymously handed over £150,000, representing twenty per cent of his fortune, to the state to clear his conscience, and to set an example.

But the controllers of the money power, the men who cold-bloodedly raised their demands upon their fellow countrymen with every German advance in the field and with every German U-boat campaign at sea; the men who organized the creation of hundreds of millions of unnecessary debt, the men who inflated rates of interest; the men who, as the price of providing credits to free us from the threat of German slavery, enmeshed us in an interest burden of a million pounds per diem—it is they whose war-time plunderings I have sought to record in the foregoing pages. The machinations of the organized money power during the stress of war surely provide the most convincing of evidence that the nation must be the sole creator of money, and the guardian and banker of the savings and thrift of its citizens, if well-being and security are ever to be the common lot of men.

Therefore, Mr. Chairman, I think the Minister of Finance should tell this committee that in order to avoid anything like that in Canada the bill to be founded on this resolution will be sent to the banking and commerce committee, which will be able to call before it any men the members may choose to interview, in order that we may have on record the possible repercussions of this financial policy, which will enable us to take steps to avoid anything serious that may result by the time we win this war. The people have a right to a full investigation into the possible dangers that may come in future because of economic principles over which the people themselves have no control but of which they will be the unconscious victims.

Perhaps it will suffice if I ask the Minister of Finance those two simple questions. First, will he tell the committee and the country by what method this huge debt will be repaid? Second, will he take steps to have the measure sent to the banking and commerce committee for a wide-open, public airing?

Mr. ILSLEY: A little later in the debate I will answer the first question asked by my hon. friend, which I think is a reasonable one. As to whether I will send or move to have this measure sent to some committee, as at present advised at least, I should not like to agree to do that.

Mr. RALSTON: I am sorry I was not in the chamber when you called order, Mr. Chairman; but, if I might, I should like to finish what I have to say in connection with the general matters affected by this resolution.

The hon. member for Vancouver South (Mr. Green) asked if the figures I had given for the reserve units included those who had been trained under the National Resources Mobilization Act. I told him I thought the figures given did include those men, and that is correct; but the number is not 90,000. The number under the National Resources Mobilization Act and supernumerary is 76,000, and the total in the reserves, excluding them is 102,119.

When the committee rose at six o'clock, I was speaking of the establishment of the two training centres for the officers' training corps, at Brockville and Victoria. I really hesitate to trouble the committee with the details in connection with the course of training which is proposed; but, if I may, I should like to put on record the two alternative courses which presented themselves. We felt—and this was, partly at least, as a result of the visit we paid overseas—that more attention should be paid to the training of officers. The two possible alternatives which presented themselves were to establish officers' training wings at the various active training centres now in existence all over the country, or to centralize the officers training in two convenient locations, or at least two locations which would be as convenient as possible.

Mr. HANSON (York-Sunbury): And you have adopted the latter course.

Mr. RALSTON: We have adopted the course of locating these two centres at Victoria and Brockville. The plan of locating them at these two centres is adopted for the following reasons. It gives more centralized control of training, administration and the flow of officer reinforcements. It gives greater uniformity of officer selection and centralized control over the standards required for a commission. We have training centres from Aldershot to Nanaimo, and hon. members will see that naturally there would be some difference in standards at different places. As a matter of fact, one of the hon. members of this committee the other day mentioned to me what I thought was a glaring case of lack of uniformity in connection with the setting and marking of officers' examination papers, which gives rise to dissatisfaction and does not promote efficiency.

Another reason was the uniformity of training and of instruction generally. What seemed desirable was the logical division of an officer's education into (1) experience in discipline and being led; (2) general academic and practical education in those subjects required of all officers, and (3) specialization. Another reason was that staffs can be more carefully selected and trained having regard to their special aptitude for officer's duties if you have them at two officer training centres instead of perhaps thirty-nine or even half that number.

Another reason is that candidates will gain experience by mingling, studying and working with junior officers of all other arms of the service; that is to say, artillery officers, infantry officers and officers of other arms who all go to these officer training centres for the purpose of getting their basic training.

I could give the committee a statement of how an officer qualifies. For the active force an officer has to be in the ranks for four months. Having been in the ranks, if he is considered suitable officer material he is recommended by his commanding officer to take a course at the officers training centre. In that way he is on the road from a cadet to a second lieutenant.

Mr. STIRLING: Is he recommended only by his officer commanding?

Mr. RALSTON: Recommended by his officer commanding, but I think it would be passed on, also, by the district; and it would be passed on also by the commandant of the school.

Mr. HANSON (York-Sunbury): That is the procedure, I believe.

Mr. RALSTON: My hon. friend is perfectly right. We could not have each officer commanding deciding on his own.

Mr. HANSON (York-Sunbury): It goes on up, higher, for official approval.

Mr. RALSTON: Yes. At the officers' training centre he takes, for the first four weeks, subjects common to all arms; for the next six weeks, organization, elementary tactics, equipment, et cetera, in the particular arm in which he proposes to qualify; then, for two weeks, in platoon or equivalent tactics.

Then, if considered desirable, he goes to an advanced training centre, to be qualified from second lieutenant to lieutenant. His period there depends upon the arm of the service for which he is qualifying. That is done at the advanced training centre. Then, from lieutenant to captain, promotion is carried on by selection.

Mr. HANSON (York-Sunbury): That is, by the officer in command of the unit.

Mr. BROOKS: Is there no seniority?

Mr. RALSTON: There would be seniority. But I, for one, must say that I am afraid I am a little unorthodox in that respect.

Mr. STIRLING: Perhaps the minister is modern.

Mr. RALSTON: I do not feel always that seniority is the final test.

Mr. HANSON (York-Sunbury): The minister would not do in a trade union, then.

Mr. RALSTON: Seniority is a factor; that is as far as I should like to go. From lieutenant to captain is by selection. Then, from captain to major there is a three months' course at an advanced training centre or the Royal Military College. I believe hon. members know that we are using the Royal Military College for the purpose of giving these advanced courses to the more senior officers. We are making that an advanced training centre. From major to lieutenant-colonel there is another three months' course at the Royal Military College. All this is for the active service force.

I was asked about the officers qualifying for the reserve force. The person wishing so to qualify has two alternatives. Under alternative A, he serves the first period in the ranks. He serves in the ranks for one year. He really serves about thirty days; that is to say, if he goes to camp. But that thirty days' training counts on his service for the first step.

Then he takes a course and examination on subjects common to all arms. By taking the course for the officers training corps, his thirty days' training is concurrent. Then he may be recommended as a cadet. On his trip from cadet to the rank of second lieutenant he goes to the officers training centre, and is there for six weeks, taking a course in organization tactics and equipment, et cetera, in the arm which he has selected.

From the rank of second lieutenant to lieutenant he is at the officers training centre for two weeks, taking platoon or equivalent tactics. Then from lieutenant to captain is done by selection, and by attachment to the advanced training centre, if that is practicable, for a period, the length of which depends upon the arm of the service to which he belongs.

I now turn to alternative B. I mention these alternatives now, because the information may be useful to hon. members, and perhaps to officers as well. Under alternative B he is in the ranks for one year, and does training for thirty days. He takes a course and examination common to all arms, and a special examination respecting his own arm of the service. Then, to go from cadet to second lieutenant he spends two weeks in the officers training centre. Then he goes from second lieutenant to lieutenant, under the provisions of K.R. and O. In the examination from lieutenant to captain he takes an examination on subjects common to all arms, and also in subjects special to his own arm, and takes a two weeks' course at the officers training centre or advanced training centre.

Then, from captain to major he goes to an officers training centre or advanced training

centre, and from major to lieutenant-colonel he goes to the Royal Military College for four weeks. I could put on record the present system. The leader of the opposition asked me once before, I believe it was last year, respecting the present method of qualification of officers. I have in my hand a long statement with regard to that matter. I do not, however, think it would be useful at this time because this replaces it.

Mr. BROOKS: What is the situation with regard to the hundreds of young men at the universities who are taking the Canadian officers training corps course?

Mr. RALSTON: I want to tread warily on that, because I have not the statement respecting the C.O.T.C. before me. But with regard to the reserve, I may say there is a provision here for a course and examination common to all arms of the service and an examination in his special arm. As I understand it, his work in the C.O.T.C. is concurrent.

Mr. HANSON (York-Sunbury): There is a special situation with regard to the C.O.T.C. They have worked it out so that they can get on their way.

Mr. RALSTON: I understand that the C.O.T.C. qualifies them for officers. Before the commission is granted, they come up in the regular way.

I should like to give the committee a statement with regard to the alternatives. Possibly I could put on record something which would be useful to officers in the reserve. Reasons are given here why the first alternative I suggested may be preferable. The member of the reserve force who elects to qualify under the first alternative method, for the rank of lieutenant, may follow the same course as for the active force second lieutenant, if he intends to join the force at once; or, if for personal reasons he wishes to spread his qualification over a longer period, he may do so in this way: For the first four weeks at local headquarters, passing an examination, the standard of which would be such as to ensure that those who qualified would be capable of taking up work at the officers training centre at the end of the fifth week. The remainder of the course can be taken in two parts, one of six weeks and one of two weeks, both at an officers training centre. At the conclusion of this he would be qualified as a second lieutenant in the active force. Then it goes on to show the advantage of taking the first alternative for the rank of captain and the rank of major.

Mr. HANSON (York-Sunbury): How long has this been in effect?

[Mr. Ralston.]

Mr. RALSTON: Just authorized now. We could not authorize it until we had decided to amalgamate the advanced training centres and the basic training centres for recruits for the active service force, and to establish out of these, two officers training centres, one at Brockville, which is now a basic training centre, and the other at Victoria.

Mr. HANSON (York-Sunbury): The whole thing is concurrent.

Mr. RALSTON: Yes; that is correct, or perhaps it would be more correct to say alternative so far as the officers' training is concerned. I have not the figures here, but I think I am correct when I say it is expected that between 4,000 and 6,000 officers will be handled this year, having regard to the formations to which I referred this afternoon. and to the probable reinforcements which will be needed. Therefore hon. members will see that these officers training centres will be busy this year.

Members of the committee would perhaps be interested to know that there will be some necessity for construction. The turning of the reserve training centre at Brockville into a junior officers training centre will involve the construction of something like twenty-one buildings. At the western training centre, which is really not an officers training centre, at Red Deer, there will have to be a conversion of an existing reserve training centre to provide an advanced centre for the army service corps. This will involve the construction of eleven buildings.

Further, with regard to activities in Canada, we have had very much in mind, as I intimated when I spoke to the house at the last session, the necessity for the army doing everything it possibly can to avoid a drain on industry with respect to skilled men. I said then. and I repeat now, that we are anxious that the militia training under the National Resources Mobilization Act should not interfere unduly with industry. Second, we are prepared to assist by giving leave to men who are in the army and have special training and are needed in war industry. Third, we wanted to be on our own as much as possible by training our own men in connection with the motorized and mechanized corps. An army trades school is being started on May 1 where about 2,000 men can be trained at a time. The actual course will take from three to six months. This will not interfere with the courses in the civil technical institutions. We shall be training our own tradesmen. In addition, there is a diesel engine course being conducted at the Dominion Engineering company. I wish it understood that I am not mixing this up with what is being done by the Department of Labour.

As hon. members know, that department is fostering the organization of plant schools in different industries. These schools are being used for vocational training in connection with war industries. The department has, I think, used, in whole or in part, the facilities of the youth training plan, and has mapped out a rather comprehensive system of technical training right across Canada for the purpose of meeting the necessities of our war situation.

Mr. HANSON (York-Sunbury): Will that involve any change in the regulations set up under the mobilization act? Will the selective principle be brought into effect?

Mr. RALSTON: I am afraid I am infringing upon the jurisdiction of my colleague, but I think it will be found that, as far as industry is concerned, the regulations will be similar to those which were passed before. That is to say, industries will not be cut into, as I have already pointed out, to the extent they were before because only one age group will be affected. That will make it much more limited than under the previous call. With regard to other courses, there is a cooks' course conducted at Camp Borden. I have already mentioned the junior staff course. This course will be removed from England to Canada in the near future as soon as it has completed its work and has put the first pupils through. The Canadian officers training corps have adopted a standard training course to help to build up a reserve for the army and personnel for the navy and the air force.

It just comes to me now, and I hasten to mention it to the committee. that I should express in the most unreserved terms of which I am capable the appreciation of the department, and I am sure of the people of the country, for the cooperation given by the universities of Canada in connection with this matter of training. Not only have they kept the officers training corps going, but they have put into effect a system of compulsory training in order that those young men who may be called up will have served a certain portion of their compulsory training at the university.

Mr. HANSON (York-Sunbury): That was done in the face of some opposition.

Mr. RALSTON: Many universities have difficulties with regard to revenues, and anything that discourages the attendance of students makes it that much more difficult for them to carry on. In that part of the country from which the leader of the opposition and I come, they have not too much money. But the universities have cooperated magnificently.

Mr. MARTIN: And the colleges, too.

Mr. RALSTON: Yes, and the colleges, too. They are all universities down our way. More than that, the department has had the most whole-hearted and unreserved cooperation from the universities and the colleges. I know the national research council will join with me in this in connection with all sorts of research matters. These universities and colleges have been more than ready to lend their facilities and staff for the purposes of assisting in scientific experiments of various kinds which were necessary to perfect certain articles of war utility and to pursue lines of research which would give to our troops the equipment which they need and which is necessary in order to make them efficient. The presidents of the universities and colleges came here only two weeks ago in a continued effort to ascertain how they could help in order to throw themselves even more whole-heartedly into helping to win this war.

Mr. BROOKS: In many instances they have given up their sports activities.

Mr. JACKMAN: In connection with the Canadian officers training corps, it is suggested that these young men will qualify at the university and then receive their appointments in the regular way. I was wondering what was meant by "regular way." Will they have to serve a certain length of time in the ranks, or will they be appointed immediately?

Mr. RALSTON: They get their certificates after having qualified.

Mr. JACKMAN: How do they get their appointments?

Mr. RALSTON: I mean their appointments in the units.

Mr. JACKMAN: How do they get their commissions?

Mr. RALSTON: They get their certificates of qualification, and then they get their commissions in the corps or unit, or in the reserve unit.

Mr. JACKMAN: Without serving in the ranks?

Mr. RALSTON: My hon. friend is referring to the new regulations?

Mr. JACKMAN: Yes.

Mr. RALSTON: I am not able to say that.

Mr. HANSON (York-Sunbury): The training is the equivalent.

Mr. RALSTON: I did not think it would be the equivalent of four months.

Mr. HANSON (York-Sunbury): Four years' training is equivalent to four months.

Mr. RALSTON: I shall be glad to give my hon. friend an answer when I have it.

Mr. MAYBANK: The minister has said that certain training is carried on in the universities, and many of these young men will be in the age group to be called up for four months' training. I do not know how it is in the maritimes, but students in the universities in my part of the country have not very much money. Perhaps there is a similarity between the students on the prairies and those in the maritimes whom the minister has described. A large number of students work their way through college by going out on survey parties and doing similar work. Unless they are to be exempted from this training they will not be able to do much work. How will the minister take care of that situation?

Mr. RALSTON: The matter was fully discussed with the presidents of the universities and colleges who were here. It has been the subject of conferences between the officers of the Department of National Defence and the Department of National War Services, as well as between the ministers themselves. I think the regulations which will be announced by the Minister of National War Services will be found to meet the situation fully.

Mr. HANSON (York-Sunbury): They have agreed on a plan?

Mr. RALSTON: Not with the universities, although it may be that the plan as outlined has been talked over with them. I can only say at the moment that the Minister of National War Services and the Minister of National Defence have agreed on a plan. I do not speak for the universities and colleges; I do not know that they have agreed, but I think it will be found to be satisfactory. At least I hope so, and I am sure there will be an opportunity to discuss the matter.

Somebody was speaking about not being able to discuss the regulations. There will certainly be an opportunity to discuss them. I expect they will be down in the next day or two, in connection with the bill to be founded on the resolution which is now before the committee, because part of the vote which is being asked by the Minister of Finance is for national war services with regard to this matter.

I should say that the two officer training centres to which I have referred will accommodate about 1,700 officers, who will be recommended for commissions after completing service in the ranks of the active and the reserve units.

I believe that I have dealt with about all that I can usefully discuss at this stage. I thought it might assist the committee if I spoke to some extent on the activities of the department, and particularly I wanted to say a word or two with regard to what we found overseas and the plans we made as a result.

I will conclude by recalling that the money which is asked for here, and which, as the Minister of Finance has indicated, amounts to something like $660,000,000, is for an army programme which is very, very heavy in its implications. If the programme is carried out as envisaged, we shall have overseas a corps of three divisions, corps troops aggregating many thousands more; we shall have an army tank brigade; and we shall have an army division—extremely expensive, if I may use that expression in terms of dollars, as also is the army tank brigade—we have troops in Iceland, Newfoundland and the West Indies, and we shall have in this country the troops for our Canadian defence services, coast defence, guards and internment camps, mobile troops for operations, and in addition to these we have the bases and the organizations and the establishments for recruiting and equipping and training reinforcements and supplying other formations which may be needed from time to time. It is a big undertaking; and, as head of the branch of the department which has particularly to do with the army, I realize the responsibility one has in asking that this large sum of money be voted.

Mr. HANSON (York-Sunbury): The minister does not care to give us any more extended statement than he has already made with respect to the equipment of these two new armoured formations?

Mr. RALSTON: I do not think I can go any further than that.

Mr. HANSON (York-Sunbury): I will not press for it.

Mr. McCANN: What progress, if any, is being made in the development along special lines or by special training of the army medical corps, and are separate units being set up for the air force, the navy and the land forces?

Mr. RALSTON: This year, as I have no doubt my hon. friend knows, although he would like to have it on record, there was a separation of the medical services of the army and the air force, and Group Captain Ryan of the Royal Air Force was appointed in charge of the medical services there. If I am not mistaken, quite a number of officers from the army found their way—

Mr. POWER: Were enticed away.

Mr. RALSTON: —as my hon. friend says, were enticed away to the air force medical corps. The naval medical services are still under the director-general of medical services.

Mr. McCANN: What is the explanation of the necessity for two separate services? When people are ill and their uniforms are taken off, they are pretty much the same.

Mr. RALSTON: I would really have to ask the doctors to answer that.

Mr. McCANN: The minister is speaking for them.

Mr. RALSTON: It may be that to some extent two different sorts of branches of medicine are involved, air force medicine and army medicine.

Mr. McCANN: Two separate branches of authority.

Mr. RALSTON: It was after consideration by medical authority that the agreement was arrived at. I believe the air force felt that there were certain situations where an officer without special training would be at some disadvantage in treating men with disabilities resulting from flying operations. I think I am correct in saying that, but I would have to refer my hon. friend to the medical officers rather than to the ministers.

Mr. HANSON (York-Sunbury): Are there not special diseases arising out of avocations in the air? Is that not what Sir Frederick Banting was investigating when he lost his life?

Mr. RALSTON: It is said that there are certain diseases peculiar to air operations.

Mr. POWER: Not so much diseases as certain risks inherent in being in the air.

Mr. McCANN: That is, if you will, a specialized line of medicine. My question, however, was, what progress is being made in developing men along those special lines, or is any progress being made?

Mr. POWER: As far as the air force is concerned, no medical officer enters the air force without undergoing a special course in medicine as related to the air.

Mr. McCANN: That is what I wanted to know.

Mr. ROSS (Souris): In the case of instructions being issued to infantry or cavalry units of the non-permanent active militia for mobilization, what basis is chosen? I speak of this because, with regard to the attachment of these trainees to even second reserve regiments, we have not organized a unit in all of rural Manitoba; that is, other than in Winnipeg, Portage la Prairie and Brandon and along the main line. I wondered if seniority is followed when instructions are given for mobilization in the case of cavalry or infantry reserve units.

Mr. RALSTON: My hon. friend means by "seniority," I suppose, which unit has been formed the longest, having regard to the history of the unit. I cannot say that seniority is followed absolutely, but I can assure my hon. friend that it is taken into consideration. This is a wide-open invitation, but if any hon. member feels that there is any unit which, because of its military efficiency, he wants to bring to my attention as desirable to be raised as a unit, as a whole, I shall be very glad to see him, talk the matter over with him and put it before the officers. The ground on which units are picked is, I really believe, that of efficiency. I am certain that there has never been a single case which has come to my attention of a unit having been selected on any other ground than that the officers concerned believed it was the unit which could most efficiently and properly serve the purpose which was suggested for it. If there is any case where two units have an equal chance, and my hon. friends bring the matter to my attention, I will see that the officers consider the matter.

I was saying that there is the army programme for 1941 as we see it. An army programme these days has to be taken, as my colleague the Minister of Finance has said, on an "if, as and when" basis, because, sitting here to-night, we have no idea what is ahead of us in the next year. We are trying to plan so that any reasonable exigency can be met. We have had to make plans in the light of the best information we could get, and to get that information we have gone where we believed the information was most likely to be correct. We have made the plan. We are trying to lay the foundations solidly. The responsibilities are very great in their extent having regard to man-power, materials and money. I came home feeling that there was need for these units and therefore recommended them to my colleagues, and they have accepted the recommendation. So much for the overseas programme. In addition, we have, outside Canada, our troops in Iceland, Newfoundland and the Caribbean.

In Canada, as indicated, there are about 102,000 on the reserve, apart from recruits under the National Resources Mobilization Act. In addition to that, we have in Canada at the moment something over 100,000 in the active service force. As hon. members will see, there will be some change in that figure

when the formations to which I have referred go overseas; but we have a very heavy army programme. In that connection we have had to build establishments to provide for the housing since April, 1940, less than a year ago, of nearly 100,000 men altogether. We have provided for the officer training centres of which I have spoken. We have provided for additional coast defence construction, and there is more now under way. We have provided over 2,000 beds in all in various hospitals. We have provided and are providing at the present time for the housing and maintenance of motor transport vehicles. There are twenty-two storage buildings which will house about 2,000 vehicles. We have in immediate prospect additional magazines, additional coast defence work and additional batteries, and we are also providing an army training school at Hamilton. I have given a very general indication of our programme.

My last word will be to my hon. friend who spoke before I did. This year we have not only a programme in the way of materials and money, but a programme which requires that we keep up the morale both of the men in the army and of Canadians at large. I really do not know of anything that is more important in this war than morale. Regardless of what may pass across this floor, I do hope, I wish to believe, that we are all one in the endeavour to see to it that the men who are in uniform are encouraged and heartened and that they have explained to them why this war is so different from the last. It should be explained to the people of the country why we have not the glamour, the music, the flags and all the things which were so common then.

We are having the regulation of man-power, the regulation of money, the regulation of materials, the regulation even of food, the regulation of everything in these days in an endeavour to make the fight tell and to achieve victory. It means that it is quite different from going ahead and spending and saying, "Let the morrow take care of itself." We are trying to emerge successfully from the war without having our economy completely shattered.

It is a hard thing to do. It is hard for the people of the country, hard for the men in the ranks and for the officers themselves to keep going, without the excitement of actual warfare, which always, though it brings its injuries, its wounds and its deaths, has at the same time some excitement about it. I for one have felt that it was almost harder, in the absence of activity, to keep the armed forces in the shape in which they should be than if casualties, a great many of them, were taking place.

There is that difficulty, and I do ask members of this house and the public generally to help to look after the men in our armed forces and to see that they understand the situation.

We try to see that personal visits are paid to camps and, that everything possible is done to show that we have an interest in our soldiers. I wish to pay a special tribute to the auxiliary services—who by the way are putting on a campaign in a week or two—comprising the Young Men's Christian Association, the Knights of Columbus, the Salvation Army and the Canadian Legion, who are doing magnificent work all through the camps in Canada, in order to keep up the morale of the men, and doing the same thing as well under bombing conditions in England. I believe that job of helping to keep up the morale, both of the soldier and of the civilian, at this time, is about as great and important a task as men could undertake, and it is being done well.

There is the general outline for the army. As regards the overseas forces, I have indicated what is being done. In this country men are training constantly to furnish reenforcements—and one would not believe what a large number of reenforcements we have to furnish even when conditions are comparatively static. If the time comes when there is so-called glamour, when there is the activity of warfare, demands upon the country for reenforcements will certainly try us to the utmost.

As regards this matter of morale, nothing could be finer than the example which I saw overseas of the men and women and children of the islands of Great Britain. It has almost become trite, but it can never be trite, to comment upon the way in which these people, day after day, stand up and take it—the nonchalance, almost, with which they go about their daily work in the face of constant danger; the way in which they set about repairing damage which is done, just as if it were an every day occurrence; the way in which they show their determination, not only by their indifference but by their active preparations for what they believe is coming, namely, invasion. All this is something which would inspire any man or woman and is a great challenge to us all.

We have a lot to be thankful for in this country, and very little to grouse about after all; and I do feel that the best way for us to get hold of the situation, the best way for us to cultivate the spirit and the morale which is necessary to win the war, is to look

across the seas to those people in Great Britain and to think of what they are undergoing every day and night, yet remaining indomitable and doughty under the leadership of that valiant man, Mr. Churchill, whom I had the pleasure of meeting on a number of occasions—their faces towards the sun, their chins in the air. Nothing finer could be said to show their unconquerable spirit than that characteristic expression of theirs, "We can take it."

I think we can take it in this country if it comes to bearing the grimness and drabness of the absence of active warfare. I think we can take it in this country if it comes to paying taxes. There is no question about the people of this country being prepared to do anything they are asked so long as it will help to win the war. It has been a great heartener to me to find how the programme which has been announced has been accepted by the Canadian people, even though they know it is a very heavy one.

So, Mr. Chairman, with that very brief review I invite hon. members to ask any questions they desire and I will endeavour to answer them or to get the information if I do not have it here.

Before I resume my seat, perhaps it would be useful to the committee if I endeavour to break down to some extent the figure of $666,574,659 which my colleague the Minister of Finance gave the committee for the army programme. This has been done in consultation with the general staff. There may be one or two instances in which I could give a further breakdown; if I cannot, it is because I am advised by the general staff that they think it unwise. As a matter of fact, I know men on my own staff who can figure from the amount of money for a certain formation when that particular formation is going overseas, knowing what is allowed for wastage, having regard to the number of months training here and the general costs. Therefore there has been a combination of functions, and I trust the committee will accept that. The figures are as follows:

Estimated Expenditures of Canadian Army by Functional Groups
(Fiscal Year 1941-42)

Definition	Non-recurring	Recurring	Total costs 1941-42
Canadian formations and functions, presently overseas, including increments to same	$ 6,382,382	$246,725,792	$253,108,174
Canadian formations and functions to be sent overseas during the fiscal year 1941-42	72,607,777	107,581,658	180,189,435
Coast defence, guards for vulnerable points, and other active functions in Canada of an operational nature	4,351,785	63,941,763	68,293,548
National Defence Headquarters and district services, and miscellaneous active army units in Canada.	2,365,200	26,919,270	29,284,470
Training and reinforcement functions in Canada, active army and National Resources Mobilization Act	5,322,496	50,316,874	55,639,370
Reserve army, C.O.T.Cs. and reserve units of Veteran Guard of Canada	9,716,645	9,470,318	19,186,963
Civilian personnel	.....	2,330,000	2,330,000
Contingencies, items not covered in other functions.	8,150,000	3,320,000	11,470,000
Revotes of funds already committed	35,997,699	10,750,000	46,747,699
Training equipment not provided elsewhere	170,000	155,000	325,000
Totals	$145,063,984	$521,510,675	$666,574,659

Mr. HANSON (York-Sunbury): When the minister uses the term "recurring", is that analogous in a measure to capital expenditures?

Mr. RALSTON: No, it is the other way about; the "non-recurring" would be capital. "Recurring" would be pay and allowances and maintenance and things like that.

That, Mr. Chairman, is the part of the total of $1,300,000,000 which it is suggested may be needed for the army services during this year. As I have said before, and as my colleague the Minister of Finance has repeated, it is made up on the basis of an estimate; it is the best we can do; all sorts of things may happen between now and next year to change it, but I have endeavoured to give an outline of what we have planned for this year provided eventualities which we cannot foresee do not take place overseas.

Mr. HANSON (York-Sunbury): That is an illuminating and informative statement, and I thank the minister for the information he has given. To make it complete, I would ask his colleague the Minister of National War Services to give us, if he can at this time, the position with respect to university students.

Mr. GARDINER: The regulations having to do with the calling up of the men for training are, as I said the other day, in course of preparation. I went over them for the last time this afternoon, and I hope they will be in the house very shortly.

Mr. HANSON (York-Sunbury): They are not ready to-night?

Mr. GARDINER: They are not ready to-night, but, generally speaking, the position in relation to university students, as I remember the regulations, is to this effect, that university students will be admitted to the universities for courses that are being prepared by the authorities in cooperation with the Department of National Defence, and will be given approximately 110 hours training during each term of their university course. The students will be required to take two weeks training during the summer months. That period will be considered as equal to one month of training; in other words, if a man is at the university for three years he would get three months training while in the university and would be required to take another month outside the university to make up his four months.

That would be for the type of student who will probably stay at the universities throughout a considerable period of the war for the purpose of finishing courses considered necessary in connection with war activities. Other students will, of course, make the choice whether they will take their four months training in the summer months; some will prefer to do that.

Mr. HANSON (York-Sunbury): They will have the right to choose?

Mr. GARDINER: They will have the right to go to camp provided they can be called at that time as part of the age group. Some will perhaps be over-age and would not be called in any case, but will continue to take their university training. The universities are putting on compulsory training in connection with the courses just as at the time of the thirty-day training.

I think in general terms those are the provisions, but the regulations will be brought down in a few days.

Mr. MACDONALD (Kingston City): This afternoon there was some discussion in the committee as to titles and decorations in the services. I think some hon. members expressed the view that many people felt that Canadians in the Canadian fighting services were not as happily situated with regard to the receipt of decorations for gallantry as their comrades from Australia, New Zealand and Great Britain herself.

I should like to read to the committee a dispatch that has just come in, for which I am indebted to the Canadian Press. This serves to illustrate the point which I think the Prime Minister endeavoured to make. The dispatch states:

> Lieutenant Commander Herbert Sharples Rayner, Canada's youngest commanding officer of a destroyer, who has spent nearly half his thirty years at sea, was awarded the distinguished service cross to-night for "courage and enterprise in action against enemy submarines."
>
> Commander Rayner was one of six Canadian naval heroes honoured in the latest list of awards published in the London *Gazette*.
>
> The distinguished service cross was also awarded to Lieutenant Robert Philip Welland, Royal Canadian Navy, for the part he has played in attacks on nazi submarines.
>
> The other Canadians honoured received the distinguished service medal: Stoker G. Beaman, R.C.N.V.R., for courageous conduct on H.M.S. *Jervis Bay* in her gallant losing battle against a convoy raider; Petty Officer Samuel Archibald Ridge, Able-Seaman Edgar Réné George, Able-Seaman George Fowler Bowditch, R.C.N.

These last three were decorated for anti-submarine work.

I read this dispatch because I am sure hon. members will be delighted to have the news and also because it illustrates that in the matter of awards for gallantry in the face of the enemy there is no distinction between one part of the empire and another.

Mr. RALSTON: If I might, I should like to join with the minister in congratulating all these young Canadians who have received these awards. I was particularly happy to hear of the award to Lieutenant Commander Rayner, who, I think, was the last naval officer I saw before embarking for home. I saw him, as they say, at a northern port, and had a delightful experience with him. He was one of those who told me some of the experiences to which I referred in the house this afternoon. I am sure he is a most gallant officer.

The hon. member for Rosedale asked for information with regard to the Canadian officer training corps, and I have been given some information with respect to at least one part of his question. He was really asking, I think, how the cadet in the officer training corps got that training, while this information has to do with what is accepted as training in the ranks, but it all goes to the question of the qualification of a cadet in the officer training corps. A Canadian officer training corps cadet serves in the ranks of his O.T.C. unit usually for not less than six months before being permitted to qualify for a commission, through examination, which includes from two to six weeks at the eastern or western officer training centre. What is

being said here will apply when these officer training centres are established. This also qualifies him for taking a commission in the active army provided he has taken the full six weeks' course, or equivalent, at the officer training centre. Those already holding certificates of qualification for officer rank may be exempted from the above conditions. Perhaps this last sentence will answer my hon. friend's question.

Mr. STIRLING: May I make a brief reference to what was just said by the Minister of National Defence for Naval Affairs. It is extremely gratifying to us all, of course, that his majesty has been pleased to decorate the officers and men to whom the minister has referred, but the point I was endeavouring to make this afternoon has not been met by the statement of the Prime Minister or that just made by the naval minister, in that these awards were made to those who had exhibited bravery in the face of the enemy. This afternoon I drew attention to the fact that the personnel of Royal Air Force and Polish squadrons did receive recognition for work done, not in the face of the enemy but in the preparation of the machines that have to go out and meet the enemy. Is there any difference between the methods adopted in Great Britain and those adopted in Canada and the other dominions in that regard?

Mr. POWER: If my hon. friend will permit me, after looking through my files I think perhaps I can give him some kind of reply, although I do not want to take up the time of the hon. member for Davenport (Mr. MacNicol).

Mr. MacNICOL: That is all right.

Mr. POWER: Perhaps I am the only man in the house at the moment who was present during the debate in 1919, when the whole question of honours, awards, titles of chivalry, knighthoods and so on was thoroughly canvassed in this house. The matter was brought before the House of Commons by Mr. W. F. Nickle of Kingston, who was supported strongly by the then Liberal-Unionist member for Springfield, Mr. Richardson. That matter was referred to a committee, and I have before me its report, including the recommendation to the house that there should no longer be any awards carrying with them titular distinction. Another specific recommendation, which as I recall it was adopted, was this:

Your committee are of the opinion and recommend that an address be presented to His Most Excellent Majesty the King, in the following words—

I do not want to read it all.

—to refrain hereafter from conferring any title of honour or titular distinction upon any of your subjects domiciled or ordinarily resident in Canada, save such appellations as are of a professional or vocational character or which appertain to an office.

The committee also recommended that appropriate action be taken by legislation. The suggestion also was made that the titles "right honourable" and "honourable" be discontinued, but that suggestion did not meet with the approval of the House of Commons.

Mr. HANSON (York-Sunbury): That was put on record this afternoon.

Mr. POWER: The report goes on:

Your committee, however, do not recommend the discontinuance of the practice of awarding military or naval decorations, such as the Victoria Cross—

And so on. This practice was followed up to 1934, when the government of Right Hon. Mr. Bennett declared that the resolution of the House of Commons was not binding. On April 9, 1940, order in council P.C. 1430 was passed, respecting awards to members of the armed forces of Canada. The order in council states:

1. The question of awards and decorations, medals and commendations, to Canadians, in respect of war services, was raised in certain communications from the high commissioner for the United Kingdom in Canada. . . .

Immediate action needs to be taken to extend the instruction dated the 22nd December, 1939, with respect to Canadians serving as members of United Kingdom forces so as to include all awards of decorations, medals and commendations, including those which are made while not in contact with the enemy. . . .

Mr. HANSON (York-Sunbury): That is Canadians with the Royal Air Force.

Mr. POWER:

4. Immediate action is necessary to make provision for awards to members of Canadian forces temporarily attached to United Kingdom forces.

Those are two categories.

5. It is expedient that provision should be made for dealing with the general position of members of Canadian armed forces, including attached personnel, along the general lines set forth in the report of the committee, to which reference has been made.

The Minister of National Defence at that time, the late Mr. Rogers, therefore recommended:

(1) That the government of the United Kingdom be informed that, in the case of Canadians who are members of the United Kingdom armed forces and not, at the same time, members of the Canadian forces—

They would be covered.

—and, in the case of individual members of Canadian forces, temporarily attached to United Kingdom forces—

(2) That in the case of members of Canadian armed forces, including personnel of other forces attached thereto, a submission should be made through appropriate channels—

That is, for awards.

(a) All awards of medals and decorations are to be made by, or in the name of, the king.

Then we go on:

(a) C.A.S.F. (including attached personnel) serving in France and acting in combination with United Kingdom forces—

They get immediate awards upon recommendation of the commander, and also periodical and operational awards. In the case of the R.C.A.F., including attached personnel, serving in France and acting with the R.A.F., the same procedure is followed.

(c) C.A.S.F. (including attached personnel) serving in United Kingdom, but not acting in combination with the United Kingdom forces. In the case of both immediate awards and periodical and operational awards, recommendation would be transmitted by the officer commanding the Canadian troops in the United Kingdom through Canada House to the Minister of National Defence for decision by council.

(d) R.C.A.F. (including attached personnel) serving in the United Kingdom, but not acting in combination with the R.A.F. . . .

(e) C.A.S.F. and R.C.A.F. (including attached personnel) serving in the United Kingdom and acting in combination with the United Kingdom forces. . . .

(f) Canadian Active Militia and R.C.A.F. (including attached personnel) serving in Canada.

Therefore almost every category, so far as I have been able to judge by a rapid examination of this order in council, is covered to a certain extent.

Mr. HOMUTH: But there was a limitation.

Mr. POWER: Yes; certainly there is a limitation. There is a limitation on orders carrying titular distinction.

Mr. HANSON (York-Sunbury): Under the term "awards for valour" it would seem that they have to be referred to Canada.

Mr. POWER: Yes. The difficulty appears to be—and I believe it can be readily clarified—in finding the proper channel, whether on the other side or here, through which these recommendations would be made. So far as I am aware, however, there is not at the present time anything to prevent a person serving in Canada, who performed a meritorious service, from obtaining, for instance, the George Cross for gallantry. Where I think possibly there is a difference—and I am not quite clear in the matter, and would not like to make a definite statement, is in respect of awards for meritorious service not in the face of the enemy, which awards might carry with them one of the lower titles, or a title to a lower order of chivalry. Possibly I might describe it as a lower grade title in one of the orders of chivalry.

Mr. STIRLING: Such as O.B.E.?

Mr. POWER: I imagine an O.B.E. could be granted in Canada.

Mr. HOMUTH: I do not wish to interrupt, but in view of the fact that these awards are made by his majesty, how would someone earning a meritorious award in Canada get that award from his majesty, unless there was some means of communication or recommendation from Canada?

Mr. POWER: I think that means of communication exists, although possibly we have not gone through the procedure.

Mr. HANSON (York-Sunbury): We have not exercised it.

Mr. POWER: I have no doubt at all that if it were decided by a commanding officer or a general officer commanding or a chief of staff that someone should be recommended for recognition for gallantry in Canada, some deed which normally at this time on the other side of the ocean would bring the George Cross, that recommendation would come through the usual channels to the minister, then to council, and then from council through External Affairs to the proper authorities on the other side.

Mr. HANSON (York-Sunbury): It would be only a matter of procedure.

Mr. POWER: Yes; to my mind it is only a matter of procedure.

Mr. HOMUTH: Why could Canada not establish her own orders?

Mr. POWER: I am glad my hon. friend has brought that up. I thought the information in connection with that point might be of interest to the committee. I had to look it up on one occasion, and I came across information which I believed would be of interest at this time. Away back in 1866 Viscount Monck in a dispatch to Lord Carnarvon, discussing the state of loyalty or otherwise of the provinces, suggested that it might be a good thing to found a Canadian order of chivalry. I should like to quote:

The want of the material in a new country for creating an hereditary aristocracy is one of the great difficulties in the way of applying the institutions of the British constitution to our colonies, and yet, without this or some substitute for it, we are in fact training up the minds of our colonists not to the ideas of monarchy but of republicanisms.

Then he goes on to discuss the whole matter, and concludes:

The plan which I would suggest for your lordship's consideration to meet the want to which I have referred would be the institution

of an order of knighthood for British North America on the model of the Order of the Star of India, to be called "the Order of St. Lawrence."

This matter was still further discussed no longer ago than during the course of the last war. Some of my hon. friends will recollect that there was in England a sub-militia council set up under the jurisdiction of the minister of militia of that day, Sir Sam Hughes. The members of that council were:

Major-General J. W. Carson,
Major-General J. C. MacDougall, C.M.G.,
Brigadier-General F. S. Meighen,
Colonel George P. Murphy,
Colonel Frank A. Reid,
Lieutenant-Colonel James G. Ross,
Major G. D. Oulster, Secretary.

Colonel McRae appears to have been a member of it at one time, also.

We also find here a minute from the meeting of the acting sub-militia council for overseas Canadians, held at Cleveland House, St. James square, London, on September 8, 1916. It reads:

Correspondence in connection with creating a Canadian order along the lines of the Order of the Star of India was brought up and discussed at the meeting, and it was moved by General Carson and seconded by General MacDougall that General Carson should write the Hon. the Minister of Militia and Defence, Canada, stating that the sub-militia council would recommend that he, the hon. the Minister of Militia and Defence, consider the question of creating a Canadian order after the style of "The Star of India" and with just as strict regulations and rules. This order to be known as "The Order of the Beaver and Maple Leaf" or, "The Star of Canada."

Therefore I am glad my hon. friend gave me an opportunity to put on *Hansard* what has happened before with respect to the desirability of establishing in Canada an order of chivalry. I have not any doubt whatsoever but that means will be found to reward gallantry while in the face of the enemy, or in the course of active duty. With regard to the matter as to whether or not Canada should recommend to his majesty that we have orders of chivalry, I must say that I believe that this is a matter of higher policy to be settled probably in this house.

Mr. MacNICOL: I, too, wish to congratulate the Minister of National Defence on the comprehensive report he has given to-night. I am sure all hon. members will read it with a great deal of interest, and perhaps after reading it they will be in a position to ask for further information, which I am sure the minister will give.

I was also pleased to hear the remarks of the Minister of National Defence for Naval Services, and the Minister of National Defence for Air.

An article which appeared in the newspapers to-day relating to shipping prompts me to attempt to take the debate back to the discussion of a subject which was discussed at great length yesterday, namely, the subject of shipping. The article to which I refer stated that some twenty-nine ships, approximately 150,000 tons, had been sunk during the last week. To give an idea to hon. members of just what a colossal loss that is—and perhaps it is not greater than the loss we may suffer in the future—I would point out that in Canada to-day we are producing daily about 1,500 net tons of pig-iron, all in Ontario. A loss in one week of 150,000 tons is equivalent to the pig-iron that could be produced in this country in one hundred days. This gives us an idea of the menace we must provide against in these shipping losses.

Mr. MARTIN: That is a compelling illustration.

Mr. MacNICOL: I think it should take us all back to the subject before the committee, that is, what we can do to prosecute this war and to maintain the empire. Our shipping is of vital importance. The question is what we can do in the way of building ships in Canada. Yesterday we heard a number of good speeches on shipbuilding, one by the hon. member for Vancouver South (Mr. Green), one by the hon. member for Shelburne-Yarmouth-Clare (Mr. Pottier), one by my leader (Mr. Hanson) and one by my desk-mate, the hon. member for Royal (Mr. Brooks).

I am not competent to speak upon the matter raised by the hon. member for Shelburne-Yarmouth-Clare. He referred to ships built partly of steel and partly of wood, and he states it is practicable to build this type of ship. If that is the case, then here is one way whereby ships can be built in large numbers on both our east and west coasts. There timber is available. My leader referred to a rolling mill in Nova Scotia which is not now in use. I assume this is due to the fact that all the steel production is under contract to the British government and is being shipped there just as rapidly as it is produced.

I do not know whether the Nova Scotia Steel company is able to obtain all the iron ore they require from Bell island, Newfoundland. I have been at Bell island and have seen how they take out iron ore from under the sea. They have good equipment for loading and are able to turn out many thousands of tons. If there is not sufficient iron ore available from this point, there are said to be ample supplies in the Hamilton river district in the Labrador. These are some of the best

deposits to be found in the world but they are still undeveloped. If the war continues for years, as it may, it may be found necessary to reopen the plate mill in Nova Scotia. If there is not sufficient ore available from Bell island, I would advise the government to consider obtaining supplies from the Hamilton river deposits.

Something has been said about building ships on both east and west coasts and numerous references have been made to Ontario. I see no reason for conflict between the east and the west and Ontario. We are nine provinces all united to do our best for Canada, and through Canada for the empire. It is quite true that steel plate is rolled only in Ontario, in one mill in the city of Hamilton. That mill has two large rolls and it is able to turn out steel in large quantities. I take pride—perhaps I should not—in the fact that in 1930 or 1931 I advocated in this house a duty on steel above 40 inches. This was to encourage the Hamilton mill to roll steel up to 78 inches. I believe the government of the day did protect steel up to 66 inches, and the Hamilton mill itself undertook to roll up to 78 inches. Later on, I believe they considered rolling up to 120 inches.

I am sure the fact that this steel is rolled in Hamilton has been of great help in our shipbuilding programme. There will soon be another mill opened in Hamilton, I believe in May. This mill will roll 40 inch plate, but this is the material used in constructing the smaller steel ships such as corvettes and so on. The minister has announced that some eighteen or twenty cargo ships are to be built in Canada, and then we have the statement in the press to-day that twenty-nine cargo ships were sunk in a week. I am convinced that this government should undertake to build, not eighteen cargo ships but 100 or 200. If the war lasts, as it apparently will, it will be imperative that we have ships. So far, the shipyards in England have not been destroyed. Most of them are located on the Clyde, Humber and Tyne, in the south of Scotland and the north of England. Perhaps it has been difficult for planes to fly that far with a heavy enough load, but it will be a sad day when they are able to do so and perhaps destroy these shipbuilding yards. Therefore it is all the more imperative that Canada should get into the shipbuilding business of both coasts. There are shipyards at Vancouver. Much of the steel used in these yards is shipped from Chicago, the plate rolled in Ontario being used there, too, and elsewhere. When the new Hamilton mill is in operation, I assume that a lot of plate produced there will be shipped to Vancouver.

[Mr. MacNicol.]

Mr. GREEN: There are yards at Victoria as well.

Mr. MacNICOL: I should have said British Columbia, because there are shipbuilding facilities at New Westminster and Burrard. The government should consider what has been said by hon. members for Nova Scotia and New Brunswick as well as by the hon. member for Vancouver South. Efforts should be made to build ocean cargo ships in both the east and the west. I might be asked, "Why not Ontario?" I do not believe that ocean cargo ships can be built economically in Ontario, and I have never advocated anything which was not economically sound. During the great war I understand a number of cargo ships were built in the vicinity of Detroit, then taken apart, shipped overland and reassembled, I believe in Florida. That would not be economical. If the government is planning to build cargo ships, they should be built in the east and the west. These ships can be built there and these provinces should be given something. I am not at all in accord with the idea of concentrating everything in one part of Canada.

I think the Ontario industrialist deserves unstinted praise for what he has done in this war by way of providing plants to build the equipment required in these ships as well as to produce other war munitions. Engines for ships are being built mainly in Montreal. At the present time the government is building three types of ships for war purposes, and it is now contemplating constructing ocean cargo boats. I repeat that these ocean cargo boats should be built on the Atlantic coast and on the Pacific coast. At least part of the steel will be rolled in Ontario and a lot of the other equipment can be provided by that province. In Ontario, as well as in other parts of Canada, the government is building fast power boats to provide protection against submarines and for other purposes. Quite a number of these will be built in the towns of Muskoka. Some will be built, I believe, on the western coast, at Prince Rupert and other centres, and perhaps some on the eastern coast. These are power boats, I understand, about 110 to 115 feet long.

Mr. MARTIN: There is some development at Owen Sound, is there not?

Mr. MacNICOL: These power boats go very fast. Then, in Ontario we are building corvettes and mine-sweepers. I have made a careful investigation in connection with mine-sweepers. Although the Minister of Munitions and Supply is not in his seat—he is working about twenty-four hours a day, doing several men's jobs, and we cannot expect him

to be here every minute—no doubt he will read what I am going to say and will, I believe, appreciate that for the building of mine-sweepers, steel is rolled about 54 and 56 inches wide, but upon arrival at the mine-sweeper plant it has to be sheared to 51 inches. I would suggest that if it is necessary that the government ship mine-sweeper steel, which is for the sides of the ships, east and west, it be sheared to the right length and width right in Ontario, because the extra freight is a big item to-day, and every possible dollar should be saved in construction and equipment. This is an all-out war. Not only will it take all our man-power, but it will take all our money besides.

I am glad to see that the Minister of Munitions and Supply is coming into the chamber. I have said, that I had not expected him to be here because he is doing so many men's jobs, and he cannot be here all the time, but I am pleased that he has come in to hear something which I have been thinking. Even in the building of cargo ships, but more particularly in the building of corvettes and mine-sweepers, if the plates were shaped and drilled according to templets instead of one at a time, if the government would say to a particular producer of ships, "we want you to erect fifty corvettes and fifty mine-sweepers", that would mean that in each case a large number of plates for the sides of these ships could be produced much more rapidly than is possible with only small contracts. I know, because I was for years in the boiler business, manufacturing boilers using steel of large dimensions, and in my time the individual plates for six boilers would be punched and drilled at the same time, very rapidly, and another six put on the same machines and so drilled. Perhaps 200 holes for rivets, more or less depending on the size of the plate, were made in this manner.

What I have seen of present production is not being carried on in that way, and I thought that in the reshaping of the minister's programme, as will probably be done when it is realized that the war will last for years, the minister should say to some one of these builders, "here is an order for fifty corvettes," or, "here is an order for fifty mine-sweepers," so that the producers could make them for less money than would be possible if they had just a few orders; they could so organize their production as to manufacture plate for the sides in multiple production. It could be done.

In like manner if, instead of a long time being taken to bend and shape the plate around, they could make the templets and the dies to produce the plate also bent in shape, as is desirable for multiple and rapid construction, considerable economies could be effected, but we could not expect them to do that if their plant received an order for not more than four or five ships; it would cost too much to make the necessary templets and dies. I have confidence in the minister to this extent, that if and when he decides to build ships in large numbers he, understanding thoroughly the production of these appliances, might induce the companies to manufacture under conditions of multiple production, as was done in the last war. In the United States ships were turned out almost as rapidly as sardine cans. All plates for particular parts of ships were made at the same time for scores and scores of vessels; and we shall have to get into that system too. That would apply to corvettes and mine-sweepers, and to other equipment.

I have heard some people condemn our shipbuilding programme as being behind schedule. I have heard the Minister of Munitions and Supply and the Minister of National Defence for Naval Services say that it is ahead of schedule. I doubt if it is, but I am not going to blame either minister on that account, because everybody who studies these things knows that after the battle of the Mediterranean it was necessary to make considerable changes in the designs of ship fittings.

The dropping of bombs by the German Stuka dive bombers alongside the ships rocked the *Illustrious* as though it were a cork in the water, and the effects were discovered when it reached Malta. It was learned on examination of the *Illustrious,* and by the effects of bombing on the cruiser which was sunk by the British themselves, what would have to be done in future interior construction. I will not elaborate on the effects of the bombs which had dropped all round the ship as well as on top of it; but after these ships had been shaken as the *Illustrious* was shaken by these tremendous bombs, engineers made a careful survey and found it necessary to recommend some changes in interior construction. I am not going to ask the minister to say that such changes have been carried out here, but if there has been any delay in the production of corvettes—I know that some have been launched—or of mine-sweepers, perhaps that is one of the reasons. Such a reason would carry weight with me. I am not going to condemn the minister if production has been retarded because so many things have entered into the construction of ships for the sea since the war broke out, and since engineers have surveyed what has happened to some of the boats which have been exposed to enemy action, changes have had to be made. I am sure I am right in that regard.

But, changes having been made, production should proceed rapidly. I have not any doubt that in due course, with yards organized east and west, as well as in Ontario, production will increase. In any event, this house, I am sure, will support the government, because party politics is not worth a fig in war time. It is an all-out war; we here are all Canadians and all British to assist in fighting this war; and if 100 million dollars are required to equip the yards and the mills. I for one, and I am sure everyone else, would be glad to vote whatever is required, because if we win the war we save all, and if we lose the war we lose all. We might better lose a lot in winning the war.

I think that is about all I have to say, except for one thing of which I have spoken before; I should like to say a word about it to the minister again. Adjacent to Windsor there is a big plant. It has its blast furnaces; there is a railway from the river to the plant, and there is a canal alongside built by the company up to the steel plant. It is a huge plant; I have been in it and so have others. But it is now being used for a purpose for which it was not built; it is being used in part for small affairs connected, I believe, with machine guns of one kind or another. It is essentially a steel plant and a shipbuilding plant. I am not able to say who owns it, but I believe it is the Walkerville company—

Mr. MARTIN: No; it is owned by Dominion Steel. The hon. member is referring to the Ojibway plant?

Mr. MacNICOL: Yes.

Mr. MARTIN: It is an excellent plant.

Mr. MacNICOL: Yes, a huge plant with a great deal of good machinery in it which should not be used for the purpose for which it is now being used. It has its own blast furnaces. They may need repairing, because I do not know whether they are up-to-date blast furnaces. Changes are necessary from time to time. But I cannot see why that plant is not in operation for the purpose for which it was erected.

I hate to throw any further load upon the shoulders of the minister. He is already burdened with machine guns, aeroplanes and everything else; he is carrying a terrific, tremendous load, and I wish to help him instead of adding still further to his burden. I desire, however, to impress upon him the importance of building ships. I do not want to say it is the one vital problem before us, but we simply must get troops to England; we must transport vast supplies of war munitions—and as a matter of fact we are shipping trainloads of materials now. On Sunday I saw a trainload of shell lathes which would turn out nine-inch shells in either four or eight minutes. I believe the time is four minutes. A fourteen-year-old girl can turn out a nine-inch shell in that space of time on these new, high-powered, high-speed shell lathes, which had so much to do with saving England. Shell lathes are made in Toronto and elsewhere, but the one I have in mind was made in Toronto. I said a trainload; I believe there were ten cars of these great machines ready for export, and it is essential that they should reach England. It is essential that our guns and everything else, our pork, our wheat, our farm products, should reach England; and they must go in ships. In my judgment, therefore, the minister will find shortly that the whole shipbuilding programme will have to be revamped with the objective of perhaps making it one hundred times bigger than it is to-day. Yards for building ocean cargo ships at Saint John, Halifax, Sydney and anywhere else where plants of that kind can be erected—someone says Miramichi, but I presume any ships built there would have to be wooden ships—Vancouver, Burrard, Victoria and elsewhere, will be necessary to develop the plan. It is a big programme.

I want to do what I can to assist the minister, because we must win the war. All this material is urgently required, considering the rate of losses, twenty-nine ships last week. How long can we stand it? We could equip the country to build twenty-nine ships a month. They did in the United States in the last war, and perhaps we could do it now if we all got together and built the necessary plants.

I am sorry for the Minister of Finance, who has to endeavour to raise so much money, but Canadians will support him in raising whatever is demanded. There are no more loyal British subjects in the world than Canadians. They are all-out in this war and will go the limit; and, as far as I am concerned, I would sooner give all I have, whatever little it may be, for the honour of my country, and die if need be, than lose the war.

Mr. HOWE: It is always a delight for me to hear my hon. friend the member for Davenport (Mr. MacNicol) discuss matters of this kind. He is a well informed and practical man and he adopts a kindly tone. Unfortunately, I did not hear his opening remarks. I can hardly credit it, but someone told me that he made a slight slip when he compared tons of steel with tons of ships.

Mr. MacNICOL: Oh, no, I did not say that. I said that we are at present producing in Canada approximately 1,500 tons of pig-iron a day, produced by the Algoma plant,

the Helen mountain mines, and I pointed out that there are being sunk on the ocean ships representing a displacement of 150,000 tons a week, not a day. The article this morning said about 148,000 tons, but I said 150,000 had been sunk during the past week, so as to give round figures. With regard to building ships to take the place of those that are sunk, assuming that the ships themselves aggregated 150,000 tons, it would take one hundred days to produce the iron for the purpose.

Mr. HOWE: A deadweight ton, of course, does not take a ton of steel, but much less, depending upon the size of the boat. I just wanted to call attention to that fact, because I found my hon. friends equating tons of steel with tons of ships, and I am sure my hon. friend did not mean to imply that that would be done. He must, however, realize the position of the Department of Munitions and Supply when he speaks of an unlimited number of corvettes. We build to fill orders, and in the matter of corvettes, of course, I suppose the number of crews that can be furnished is the determining factor. We cannot go full-out on an unlimited number of corvettes unless either our navy or the British navy indicate that they require them. What we are going full-out on is the matter of cargo ships. They are a different story, and we can go full-out there and in the meantime fill all orders, having substantial orders for corvettes and mine-sweepers.

Our policy there is to plan a long-range programme for corvettes and mine-sweepers for the lakes, for the reason that we cannot get a cargo ship out of the lakes, and therefore these shipyards are not available as far as the larger boats go. We are, however, directing our efforts more and more to get a large boat programme for the lower St. Lawrence and coast yards. We intend to press that as far as we can. The difficulty then becomes a matter of man-power. It is not difficult to organize a shipyard. The capital cost is not large in comparison with output, but the matter of getting a skilled crew to man the shipyard is extremely difficult, and we were warned in England not to undertake that if it meant stripping other yards to get personnel, which is what it would mean in Canada to-day.

We are approaching cautiously, studying the problem to see how far the structural steel companies can assist us, and I can say that we are advancing in that just as rapidly as prudence will permit.

As far as the Ojibway plant of the Dosco company is concerned, that has been studied carefully. The blast furnaces are old. They have been out of use for about twenty years, and it was found that we would be better off if the furnaces were not there. They would have to be completely rebuilt. The capital cost is very high and the time involved is an important factor. The best estimate we have had on time is about two years.

It is a question how far we should go in extending the steel capacity of Canada. We had at the beginning of the war a theoretical capacity of about 2,200,000 tons of steel per annum. We have expanded that by 500,000 tons. Whether we should go further than that, I think is a matter that deserves careful study. We normally import in good times about one million tons of steel from outside Canada. From a study of the situation it would appear that for our present programme of war requirements we shall not require to import more than a million tons of steel a year in addition to our capacity. That may vary from time to time, but that is the present forecast. To arrive at that figure we planned a curtailment of the domestic use of steel, and we have been enforcing that curtailment for the last six or eight months. I see no harm in curtailing the domestic use of steel; in fact, I think our programme will more and more tend towards curtailment of domestic use of all materials that go into munitions of war; that is a logical development in putting the country on an all-out war basis.

We have determined that we are protected for one million tons per annum of steel from outside Canada. How far we should go in disorganizing the normal economy of Canada by expanding the steel industry beyond the point we have reached is a matter that is receiving careful study. There is a good deal of sound opinion in the direction of not expanding further at the moment.

As I said, however, we are going all-out on ships. We are going to build as many ships as we can build by reasonably sound economic methods. We are studying mass production methods in use elsewhere. They were developed to a small extent late in the last war at Hog island, but it did not continue long enough to bring the mass production theory into practice. It is being attempted again in this war and we are watching the procedure carefully to see to what extent it can be adapted to Canadian use.

I make these few remarks to indicate to the hon. member for Davenport that we are proceeding along the lines he suggested.

Mr. HANSON (York-Sunbury): I should like to ask the minister a question regarding costs. Unfortunately, I had to leave last evening before he finished his remarks. I gather that he said that the cost of construction of steel vessels in Canada is about double that in England. Is that substantially

correct? I had investigated that at one time, when we built the "Lady" boats for the West Indies service. The then Minister of Trade and Commerce, Mr. Malcolm, told me and I think he told the house that they gave consideration to the construction of those ships in Canada but found the cost would be about one-third more, and therefore they decided to have them built in England.

Mr. HOWE: On a 10,000-ton boat, a type which, of course, has been built in England for some time, they have a standard practice, and I suppose they have written off the overhead for getting into that style of production. The price which our shipbuilders here require to produce the same ship is at the moment about double the price in England. We hope to get it down. I am sure the next lot of ships will be cheaper; that is the history of all production.

Mr. MAYBANK: I wish to direct the attention of the committee to something of a quite different nature. We have for some little time been dealing with moneys heretofore spent. I want to deal with a question which I think may be described as one of present waste, serious waste and extravagance. I refer to one of the government's companies. I do not desire to leave the committee in doubt for a moment, so I say that company is Allied War Supplies Corporation. I am starting a conversation which will perhaps be rather in the nature of question and answer.

I remind the committee that near Winnipeg there is just now being brought into being a very large cordite plant. The expenditure, as has been mentioned several times, is in the neighbourhood of $10,000,000. As I understand the situation, the contract for the building of that contract is let by Allied War Supplies Corporation, and then the plant is to be operated by another company which we call D.I.L., Defence Industries Limited. That company, I understand, is simply Canadian Industries Limited, organized for convenience under the name D.I.L. Convenience, I say, because they are doing quite a bit of contract work and it is easier to have all that work carried on by this separate company. I am not sure if I have that exactly correct, but I believe it is very close to it.

That large cordite plant will require a great deal of steam. To produce that steam will require a great deal of coal. When they invited tenders they let it be known that they would need about fifty thousand tons of coal a year. Apparently at that time they were considering all kinds of coal.

We have in western Canada a certain field known as the economic field in which lignite coal can be burned. Roughly speaking, I believe it runs from Swift Current to Kenora. At any rate, whatever the area be, Winnipeg is certainly within it. No one would, I believe, suggest that Edmonton or Sudbury is. It is, as I understand it, a question of freight rates.

Allied War Supplies Corporation has had a number of prices submitted. It has apparently decided to take what it admits to be the more expensive kind of fuel rather than the less expensive kind. A variety of reasons have been given; I do not think any of their reasons are satisfactory, and they are not consistent one with another. I am not blaming the minister in this connection; I think most hon. members will agree that this way of handling government business is, generally speaking, pretty sound. At the present time, however, this organization is embarking upon a method of providing at that plant steam which will cost $100,000 or $200,000 more per annum than it should cost. There is no need to waste public money in that way. This organization is just as much a trustee of public moneys as is every member of this house, every member of the government and every other person engaged in our war effort. A very large part of the money to be provided under this legislation will be handled by this corporation, which I say is now embarking upon a wasteful plan of creating steam for that plant.

Perhaps I would not be quite so sure of this, were it not for the fact that they have given so many different explanations as to why they will not burn lignite coal. At one stage, for instance, they said the supply was not dependable. I talked with the engineer who made those recommendations. He boiled it down substantially to that one proposition, the dependability of supplies. Well, the one coal that they can get for about 75 cents a ton at the mine is only two hundred miles from Winnipeg, and there is rail connection by both railways. This engineer kept on talking about the dependability of supply, but he recognized and admitted that this coal could come in steadily, hour by hour and day by day. He tried to raise certain other objections against the use of lignite coal and then, after all that argument and after stating that he could not use lignite coal at all, he suggested the possibility of using 40 per cent of the cheaper coal. First, it was stated by this engineer and by other members of this corporation that they could not use this coal at all, that it was not a feasible proposition; but before very long they were saying they could use 40 per cent, and I understand that now they have increased that percentage substantially.

I might be willing to withdraw the first charge I made, that they were entering upon

this extravagance, if I could believe their statement that they are going to use a large percentage of lignite coal, but everything points to the fact that they are simply saying they are going to do this while they know full well the equipment they are putting in that plant will not permit them to do it. I charge that this organization, the creature of this parliament, is simply playing horse with the minister. These people are telling him they are going to do something which they really do not intend to do. I recall that this same organization undertook to install equipment in a large plant of the Winnipeg hydro for burning lignite coal. They have never burned an ounce of lignite from that day to this. They equipped our plant in Winnipeg for the burning of lignite coal, but they have never burned any of it, and they did that for the same purpose that I am protesting against now.

There has not been an important plant in that economic lignite area equipped in recent years to burn anything but lignite coal. No new equipment has gone into any plant except to burn this cheaper coal; but now in war time when taxes are heavy and are going to be still heavier, a creature of this government undertakes to do something in the more expensive rather than the less expensive way. I believe their plea now is that it is too late to change, that they have committed themselves. I do not think it is too late; I believe money can be saved if they will alter any decisions they have made heretofore. I should like to have on record any explanations there may be, and I want to serve notice that every undertaking given by this organization will be watched most carefully, not only every day of this year but every day they are out there. I do not believe they are going to do what they are promising. They are going to do what they originally intended to do; they are going to produce steam at a cost of $100,000 or $200,000 greater than it should be. That is what they will do unless they are prevented.

Mr. HOWE: Since D.I.L. and C.I.L. have been mentioned, perhaps I should explain the situation. I think the reason for the two companies will commend itself to the committee.

As hon. members know, firms engaged in the manufacture of explosives during the last war, such as du Pont, Hercules and perhaps Canadian Industries, were accused of profiteering. Those accusations became so numerous that they had quite an effect on the domestic business of these companies. Canadian Industries Limited, du Pont and the other companies which make explosives, also have very large peace-time businesses which, I think, are conducted on excellent business lines and which, I believe, they have a right to segregate from their war work. Canadian Industries Limited wished to make their explosives experts available to the government's war effort, and wished to do a real war job; but at the same time they wished to keep their peace-time industry separate from that war work. As a result, they formed a separate company called Defence Industries Limited, which takes and executes all war contracts drawing on the technical skill of Canadian Industries Limited. In this way, all war profits are in the one company, Defence Industries Limited, where they are subject to taxation, to examination and to audit, and are entirely under the control of the government, while on the other hand C.I.L. keeps entirely to its peace-time pursuits.

I think that is quite commendable, and I should like to make sure that the committee does not draw any wrong inference from the fact that Defence Industries Limited, a new company, is handling the war work. I may say that we have engaged Defence Industries Limited as our experts on explosives. We have drawn on their technical skill to design and also to operate explosive plants. Our explosives and chemical programme is, however, in the hands of Allied War Supplies Corporation, headed by Mr. Harold Crabtree, a chemical engineer with a wide business experience in Canada. He happens to be the president of the Canadian Manufacturers association, and a man in whom industry in Canada has a great deal of confidence. We have associated with him some seven or eight business executives, who also are highly respected in Canada for the efficiency of the operation for which they are responsible.

Mr. HANSON (York-Sunbury): Serving without remuneration?

Mr. HOWE: Yes, all serving without remuneration. Mr. Crabtree is giving his full time; in fact, I think he is giving about two days in one, and has been doing that since he received the appointment.

I believe the country will recognize the excellent work these men have been doing in working out our chemicals and explosives programme, which is a very large programme indeed. In the planning of the Winnipeg plant this company proceeded with Defence Industries Limited as their expert engineers to design the plant, as they have designed other explosives plants, two of which are now in operation. This is the third.

It was called to my attention some time ago that there was a strong feeling in Winnipeg that this plant should use lignite coal. I dropped a line to Mr. Crabtree, directing his

attention to the fact that lignite coal was being used to a great extent in Winnipeg for heating purposes in the larger plants, and asking him particularly to look into the situation to make sure that he was making a wise decision in providing the type of equipment for which he had provided, namely, an underfeed stoker. The lignite coal requires a different type of equipment. Mr. Crabtree wrote me on the subject, and later we had an interview in connection with it, on which occasion he brought the report of his engineers, estimated costs and other technical data. We spent sometime together going into that project. He pointed out that an explosives plant is built for operation only during war time. Of course there is no need for an explosives plant of that size in peace time, particularly as it is one of three plants, the other two being considerably larger than the one planned for Winnipeg. The question as to whether or not we were warranted in spending a considerable additional sum to put in equipment which would burn lignite coal efficiently, and only lignite coal, was studied by the engineers. They had to decide also as to whether the equipment would be disposable after the war. That is an important factor which must not be forgotten. This is large equipment, and so far lignite equipment of the size here indicated has never been installed in Canada. It is therefore unlikely that there would be a market for that type of equipment after the war. On the other hand, the underfeed stoker type is common in Canada, and probably would be marketable after its use in Winnipeg comes to an end.

Then the question as to the respective economies of the two coals was studied, and it was the considered opinion of Mr. Crabtree's engineers and of Mr. Crabtree, after making his own study of the matter, in the light of the reports he had received, that it would not be wise to go to the extra expense of putting in special equipment to burn lignite coal.

Mr. Crabtree believes that he would be able to burn a very high percentage of lignite coal in these boilers. I hope that is true, because we are finding it rather difficult to get supplies of bituminous coal from western Canada at the present time. The use of lignite coal at Winnipeg would have a balancing effect upon the coal situation in western Canada. Mr. Crabtree tells me that he will be able to use a considerable portion of lignite coal. He has studied the question, and I have a good deal of confidence in his statement in the matter.

All I can say to the committee is that having turned over the explosives and chemicals programme to Allied War Supplies Corporation, and having had ample demonstration that they are able to handle that type of work, as demonstrated by the plants they have brought into operation prior to this date, I have not found anything in the situation which would warrant me as the responsible minister in reversing the decision arrived at by the corporation.

Mr. ROSS (Souris): In the event of their not using lignite coal, from where would the other fuel have to be brought?

Mr. HOWE: As my hon. friend knows, bituminous coal comes chiefly from Alberta.

Mr. MAYBANK: The minister has made two observations to which I shall refer. In the first place he turned his attention to the organizations known as C.I.L. and D.I.L. and explained that that was apparently good business practice, under the circumstances, adding that he did not want the committee to get off on the wrong foot. We might as well have that point settled immediately. So far as I am concerned I entirely agree with that. I did not intend to make any suggestion to the committee that there was anything improper in the manner of organizing. In fact, in introducing my remarks I said that the division had been made apparently for convenience.

Since, however, we have mentioned C.I.L. and D.I.L., I might add to what I have already said, that when C.I.L. was putting in its own plant, the Allied War Supplies Corporation was not in the picture at all. Rather it was putting in its own plant, for its own commercial purposes and, like every other organization in western Canada, it put in a plant for the purpose of burning lignite. It is situated at Neepawa, Manitoba, where they have their salt industry. Therefore, for commercial purposes that is what they did.

But this other corporation, the one that is the direct creature of the government and of parliament, is the organization which is doing what I have been describing. They may be using the C.I.L. personnel and they may not. Certainly they are not using it entirely. One man they are using, and who had been very active, is a man who comes from the organization that sells this kind of equipment. I was not trying to convince him, because I do not profess to have engineering knowledge. Let me say in passing that I do not want to see $100,000 or $200,000 wasted each year. I was not trying to convince him, nor do I believe I was able to convince him. But his remark was, "They might be able to convince some people, but they will never convince me." This man comes from the organization which sells the equipment.

The same man was in western Canada for a long time, and by reason of the development

of the practice of burning lignite coal he and his company withdrew from that territory, because they did not make the kind of equipment that would burn that coal. I do not know when the interviews took place to which the minister has referred. I do know that about eight or nine days ago Mr. Crabtree stated to a colleague of mine in this house that this question was still an open one, that they would approach it with open minds, and yet within thirty-six hours this man Abbott sat in a room in this House of Commons with that same colleague and me and told us that it was a closed book, that it had been closed for months. He said, "I do not think Mr. Crabtree would misrepresent it, but that book is a closed book and it has been closed." Those are my words; they are not the precise words used, but I think they give an accurate rendering of the conversation I had with him.

Reference has been made to two or three different kinds of equipment. The authority which I have for anything I may offer in the way of describing the equipment is not a person interested in making a sale in opposition to these people; it is our own fuel laboratory experts here. They tell me there are two different ways of carrying coal into the furnace. One is to carry it in and sprinkle it on top, known as the "kicker" system. I do not profess to have any mechanical knowledge; I am simply trying to describe what I have been told, in words which make myself understood.

When the engineer finished talking to me I took the precaution of converting his statement into words such as I would use and asking him whether they covered the situation. When I talk to hon. members about equipment in the way I do, they will know the background for my statement. They will see how I came to get this particular description into my own mind. As I say, substantially there are two methods of putting coal into a firebox to be burned. One is the kicker system, and the other is the underfeed. The underfeed equipment is not suitable for burning lignite coal, and that is the system which these people put into the Winnipeg hydro. They have not burned an ounce of lignite coal. I might give a further authority for that proposition in the person of the engineer I told the committee about, Mr. Abbott. He is the man who has been behind this, who came to us from the company that makes this equipment. He agreed readily that underfeed equipment was not satisfactory for burning this coal.

As I say, I do not know when the conversation referred to by the minister took place, but I do know that I got this information from the department of the government as far back as January 13. These people were stating that it was a closed book because Mr. W. H. Wharton of the Allied War Supplies had said so. I am not talking about the D.I.L.; I am talking about an organization which is a child of this government and which is supposed to have all this authority. This man said that they had ruled against lignite coal. In spite of that, I want to repeat that Mr. Crabtree stated only a short time ago that they would approach this matter with an open mind. When one runs into two propositions which are so completely contrary, it is enough to make one suspicious. When within thirty-six hours another man from the same organization says in effect that it was a closed book, that it could not be approached with an open mind, one is justified in being doubly suspicious.

Before going any further, I should like to make this comment with reference to giving full authority to this organization. I agree that the right course has been taken in forming these companies in order to get the work of government decentralized. As soon as I saw the announcement by the government I felt that the right step had been taken, that it would afford a means of saving harassed and overworked ministers. No matter how vehement I may be at times, I think the government made a right move by turning over considerable responsibility to an organization of this kind. But there is a great difference between giving them considerable responsibility and completely abrogating in favour of them. No organization should be able to go out and spend the money of the people of Canada and not be subject to review. This sort of thing getting around the country is the worst possible thing one could have from the viewpoint of this department which is being so well administered by the minister of defence. Nothing in the world can hurt the idea of getting people to present their savings and being ready to accept taxes more than allowing it to be known that we have abrogated some function of government to certain commercial concerns. A number of fine gentlemen have been collected together to operate these organizations. With the exception of the one whom I have mentioned, I have no complaint to make about them, but they should not be considered as the government of this country.

Mr. HANSON (York-Sunbury): Could the ministers of the war services, that is air,

naval and munitions, give breakdowns of the moneys that have been expended for the present fiscal year, and then of the appropriation which we are considering? Then the non-war ministers could give their breakdowns of the $32,000,000. It seems to me, if those figures were on the record in some kind of orderly way, it would save time.

Progress reported.

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

Wednesday, March 12, 1941.

The house met at three o'clock.

LEASE-LEND BILL

EXPRESSION OF SATISFACTION AT PASSAGE OF MEASURE BY UNITED STATES CONGRESS

Right Hon. W. L. MACKENZIE KING (Prime Minister): I feel that the house would wish me to express on its behalf, and, I may add, on behalf of the people of Canada, the satisfaction felt at the word received last night that the lease-lend bill had passed the congress of the United States and had been signed by the president.

The signature by the President of the United States of the lease-lend bill, after its passage by large majorities in the house of representatives and the senate, will stand throughout time as one of the milestones of freedom. It points the way to ultimate and certain victory. The majorities given to the measure in congress are evidence that this law carries with it the overwhelming approval of the citizens of the United States. It is a declaration by the president, in the name of its government and people, that the United States is determined to supply such aid in the present war as will ensure but one end to the conflict. That end will be its successful termination by the defeat of the aggressor nations, and the preservation, restoration and expansion of freedom wherever the aggressors have substituted might for right, and national force for international justice.

Hon. members will recall that when the house resumed its sittings on February 17, I referred, in the course of my review of Canada's external affairs, to the change which had taken place in the attitude of the United States. At that time the change had already been reflected in the president's message to congress.

"The president's message," I said, " is more than a statement of principles. It deals with means as well as with ends. The new policy as laid down by Mr. Roosevelt envisages sending ships, planes, tanks and guns to beleaguered Britain, and to other nations resisting aggression. This aid is to be furnished in ever-increasing measure without the exaction of immediate payment and regardless of the threats of dictators. The precise form which assistance will take is now engaging the attention of the competent branches of government in the United States. It is a matter for the United States alone to decide. To the whole democratic world, however, the new policy has brought fresh hope and renewed resolution."

The policy recommended by the president in his message has now been accepted by congress.

Hon. members may also recall that, on June 7 of last year, at a time when the news from France was growing daily more ominous, and the entry of Italy into the war was expected at any moment, I said, in a broadcast to the Canadian people: "If new enemies oppose us, we may be sure that old and new friends will arise to help us. The world-wide significance of the conflict is being realized in every land."

That prediction has been abundantly fulfilled. The friendship of the United States, strengthened by old ties of sympathy, and new ties of practical understanding, has been organized and mobilized upon the side of freedom. This happy consummation has been achieved not by propaganda but by deeds—the brave deeds of the people of Britain, and the wanton and cruel deeds of the tyrants of Germany and Italy. As ruthless act has followed ruthless act, the issues of the conflict have become clear for all to see. The progress of hostilities has been marked by the growing apprehension of the United States. That great country now knows what nazi and fascist threats mean in terms of its own freedom, and the happiness of its own citizens. The growing apprehension and increased knowledge have been marked by the cumulative determination of the American people to spare no material effort necessary to help the triumph of the cause which has already commanded the support of their sentiments and their ideals.

What the passage of this bill means to Britain, and to the cause for which we fight, may well be the difference between prolonged and indecisive warfare, and the certainty of victory. The people of Canada have never doubted what the great-hearted people of the United States would do. Of their own free will, and by their own decision, the American people have spoken in words which tyrants and free men alike will understand. It is as though by one short enactment the

world's conscience has condemned the wanton aggressors who have placed freedom, Christianity, and civilization in jeopardy.

As the chairman of the foreign relations committee said yesterday in the House of Representatives, the lease-lend bill "is the voice of aroused America, sounding the trumpet call of victory for free government everywhere."

The courage, determination and fortitude of the people of Britain in the face of continuous and appalling danger have not only gained the ungrudging admiration of the American people, but they have proved, with inexorable logic, that the strength of Britain is the one great obstacle in the path of the aggressors. The American people know that the magnificent resistance of Britain has made her the main outwork of the defences of the United States. Canada's example, as a nation of the new world, actively participating to the utmost limit in the present struggle, has also had its influence in arousing the people of the United States to their present realization that freedom itself is at stake in this war.

It in no sense minimizes the magnificent effort of Britain and the nations of the British commonwealth to say that the aid, the cooperation and the limitless resources of the United States definitely ensure final victory.

We in Canada may feel more than a little pride in the share we have had in bringing about the closer relationship between the United States and the British commonwealth. It will, I believe, seal the spiritual union of free peoples everywhere, out of which we may hope to build an enduring new world order.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, the passage of the lease-lend bill by the congress of the United States and its approval by the great president of that republic constitute an event of great magnitude and importance at this juncture of world affairs. To Britain as the head of our beleaguered empire, and to Canada and the other dominions which stand at her side as belligerents, it may well be, as indeed I think it will be, a turning point in this war distracted world. In any event its importance cannot be overestimated.

We in Canada as good neighbours of the United States, along with our kinsfolk in Britain, should raise our voices in grateful acknowledgment of the effort of the president and his administration in pursuing the policy now adopted. In the days to come, with the abundant assistance which will be forthcoming, we and generations yet unborn will raise our voices and call their names blessed.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MARITIME PROVINCES FRUIT AND VEGETABLE INSPECTION

Mr. HAZEN:

1. Was Richard Creed, supervisor inspector of fruits and vegetables suspended by the Department of Agriculture? If so, when?

2. What was the reason or reasons for his suspension?

3. Were any other fruit and vegetable inspectors suspended or expelled in the maritime provinces from 1933 to 1936, both years inclusive?

4. Was Richard Creed dismissed from his position? If so, when and what were the grounds for his dismissal?

5. What were the carryover charges due by the shippers for inspection fees on potato table stock and turnips for the years 1933 and 1934 in New Brunswick and Prince Edward Island?

Mr. GARDINER:

1. Yes; on December 1, 1934.

2. Unsatisfactory collections and remittances of inspection fees.

3. Yes.

4. Yes; February 1, 1936; unsatisfactory service in connection with the collection and remittance of inspection fees.

5. Prince Edward Island, 1933-34, $1,033.50; 1934-35, $390. New Brunswick, 1933-34, $9; 1934-35, $714.

ALBERTA AIR TRAINING SCHOOLS

Mr. HANSELL:

1. What type of air training schools are located at Macleod, Granum and Claresholm, in the province of Alberta?

2. How much money is allocated for the construction of each of these three schools?

3. How many regular officers and men are stationed at each of these schools as instructors, and what position does each hold?

4. How many trainees will each of these schools accommodate at any one time?

Mr. POWER: With respect to Nos. 1 and 2 of this question, there will be no difficulty in giving an answer. With respect to Nos. 3 and 4, I would prefer in the public interest not to make specific answers. I have on some occasions in the house stated in a broad and general way the number of persons who were employed at the various flying training schools and the number of trainees; but if the hon. member would permit, I would prefer not to specify exactly the number of such persons.

Mr. SPEAKER: Nos. 3 and 4 dropped. The remainder stands.

CANADIAN ARMY—REGIMENTAL BANDS

Mr. REID:

1. What is the number of the various regiments comprising both active service forces and that of the non-permanent militia, or non-active service armies?

2. What is the total number of regimental bands authorized and at present functioning, showing the number of pipe, bugle, brass and drum bands, respectively?

3. What, if any, consideration has been given to the matter of providing a greater number of bands for military purposes?

Mr. RALSTON: I spoke to the hon. member regarding this question and advised him that it would be difficult to give satisfactory information in answer to the first question as it stands, since the word "regiment" is usually regarded as applying to substantial formations of infantry and artillery, and it would be doubtful whether giving this information so far as the active forces are concerned would be in the public interest. The hon. member indicated that he was satisfied not to proceed further with this part of the question as far as the active forces are concerned.

I am therefore tabling the answer to the second part of question No. 1, and questions Nos. 2 and 3.

1. (a) Referred to orally.

(b) 493 units composed of regiments of cavalry, batteries of artillery, engineer and signal formations, battalions of infantry, including reserve companies of veterans guard of Canada, army service corps, medical corps, dental corps, ordnance corps and postal corps units and Canadian officers' training corps contingents.

2. As to the Canadian army, active and reserve formations in Canada:—

	Regimental bands	
	Authorized	Functioning
Brass	117	107
Bugle	45	41
Pipe	35	33
Drum	3	3
Trumpet	3	3
Fife	1	1
Total	204	188

3. Frequent consideration being given and action taken as is deemed advisable. The matter was recently discussed by the minister personally with the G.O.C. Canadian Corps, the senior officer at Canadian military headquarters, London, and the G.O.C's. 1st and 2nd divisions.

CANADIAN FARM LOAN BOARD—ONTARIO LOANS

Mr. McCUAIG:

1. How many loans were made in Ontario by the Canadian farm loan board in each fiscal year from the setting up of the board to March 31, 1940?

2. What was the total amount of the 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 period from March 31, 1940, to December 31, 1940, and how many of these applications were granted?

4. What was the total amount of such loans made from March 31, 1940, to December 31, 1940?

5. How many persons were employed in connection with the Toronto office of the said board during the fiscal year ending March 31, 1940?

6. What was the total cost of the administration of the farm loan board in Ontario for the said fiscal year?

7. Is this cost in addition to the amount collected from farmers for inspection fees and other expenses collected from persons applying for loans?

Mr. ILSLEY:

The following reply is furnished by the Canadian farm loan board:

1 and 2.

Year ending 31st March	Loans granted in Province of Ontario	
	No.	Amount
1936.....	700	$1,380,200
1937.....	501	1,044,600
1938.....	418	885,800
1939.....	413	852,600
1940.....	437	934,400

3 and 4. During the period March 31, 1940, to December 31, 1940, the board disposed of 569 applications in the province of Ontario as follows: 247 granted loans for the amount of $529,400. 107 still pending as at December 31, 1940. 322 withdrawn, cancelled or rejected.

5. During the fiscal year ending March 31, 1940, 21 persons were employed in the province of Ontario on a salary basis. In addition, the board employed as and when required 25 part-time appraisers throughout the province on a daily fee basis.

6 and 7. The cost of operations in the province of Ontario for the fiscal year ending March 31, 1940, was $49,087.73 after crediting inspection fees retained amounting to $8,206.63. Included in the cost of operations is a proportion of head office expenses amounting to $10,251.74.

WHEAT—PROCESSING LEVY

Mr. HANSELL:

1. How many grist mills are there operating in each of the nine provinces?

2. What is the total amount collected to date of the processing levy on wheat products?

3. Is the processing levy as regulated by order in council P.C. 4387, September 3, 1940, still effective?

4. If not, in what province has the levy been discontinued and by what authority?

5. Have any refunds been made in any part of Canada, and, if so, what is the total amount refunded in each province?

Mr. MacKINNON (Edmonton West):

1. Number of grist mills reporting to the Canadian wheat board:

British Columbia	22
Alberta	62
Saskatchewan	63
Manitoba	43
Ontario	136
Quebec	28
New Brunswick	6
Nova Scotia	1
Prince Edward Island	4
	365

2. Total amount of levy collected to date is $2,995,741.85.

3. Yes, subject only to amendment contained in order in council P.C. 134/813, 1st February, 1941.

4. The levy has been remitted in the case of wheat grown in the provinces of Quebec, Nova Scotia, New Brunswick and Prince Edward Island, and taken to a mill to be gristed for consumption exclusively to the grower's own home (authority: order in council P.C. 134/813, 1st February, 1941).

5. Refunds amounting to $144.38 have been remitted in the province of Quebec for wheat grown in that province but gristed for the producer's own use.

In addition we anticipate receiving claims for refunds for wheat gristed for the farmer's own use, as follows:

New Brunswick	$473 15
Nova Scotia	39 90
Prince Edward Island	316 75
Quebec	92 22
	$922 02

CALGARY HIGHLANDERS PAYMASTER

Mr. JOHNSTON (Bow River):

How much pay and allowance has Mr. Andrew Davidson received up to date as paymaster of the 2nd battalion of the Calgary Highlanders?

Mr. RALSTON: $156 less national defence tax of $3.36—total received $152.64.

APPLE SURPLUS

Mr. ROY:

1. Is there a surplus of apples in Canada in 1940-41?

2. If so, did the government purchase such surplus and has it been disposed of?

Mr. GARDINER:

1. Yes.

2. The government has assumed responsibility for part of the apple crop and has been disposing of same through processing and the distribution of the processed product.

QUESTION PASSED AS ORDER FOR RETURN

UNIVERSITY PROPERTY USED FOR WAR PURPOSES

Mr. CHURCH:

1. Have any of our Canadian universities offered buildings to the government for use in the present war?

2. If so, which of them, on what terms and conditions and for what purpose?

3. What university property, if any, is now being used by the government for war purposes?

MOTIONS FOR PAPERS

WHEAT—PROCESSING LEVY

Mr. SHAW:

For a copy of all letters, telegrams and other documents exchanged between the government or any department thereof or any government board or any official thereof and any person, persons or firms, in respect to complaints relative to the processing levy on wheat products in the provinces of Quebec, New Brunswick, Nova Scotia and Prince Edward Island.

NATIONAL WAR SERVICES—EMPLOYEES FROM SASKATCHEWAN

Mr. NICHOLSON:

For a return showing, (1) the names of persons from Saskatchewan now employed by the Department of National War Services; (2) the duties of each of these persons; (3) salary paid to each; (4) value and source of any superannuation or other pay received by each of these persons.

TORONTO—FEDERAL REVENUE AND FEDERAL EXPENDITURES

Mr. CHURCH:

For a return showing what federal revenues have been collected from the city of Toronto, during the last year of record in (a) postal receipts; (b) customs; (c) excise; (d) income tax; (e) inland revenue; (f) sales tax; (g) other federal levies. Also a statement of the expenditures made in the city of Toronto by the federal government during the last year of record?

Mr. ILSLEY: Mr. Speaker, it would be impossible to obtain this information, at least without a tremendous amount of research, and I suggest that the motion be dropped.

Mr. SPEAKER: Dropped.

Mr. CHURCH: Would the minister give the information as far as possible?

Mr. ILSLEY: It is not altogether a question of possibility. Perhaps the hon. gentleman

will look at the motion. In connection with income tax collections from the city of Toronto, for example, it would be necessary to examine long lists of income taxpayers to ascertain whether or not they were residents of Toronto, and then reckon up the total amount of taxes paid by them. This is a task which a department of government should not be asked to undertake. The same applies, only in much greater degree I should say, to customs and excise.

Mr. HANSON (York-Sunbury): They give that information every month.

Mr. ILSLEY: That is through the port of Toronto—an entirely different matter. This motion has reference to the city of Toronto; apparently the hon. member is talking about residents of that city. What I have said applies to inland revenue, sales tax and other federal levies, and these amount to such a substantial part of the motion that I would suggest it be dropped.

Mr. HARRIS (Danforth): If the word "city" were changed to "port", would that meet the minister's objection?

Mr. ROSS (Moose Jaw): That gives a wrong impression.

Mr. ILSLEY: It could not be amended in that way. The port of Toronto would be the proper term with regard to customs and excise; but with regard to income tax, it would be the district office.

Mr. HANSON (York-Sunbury): Would the minister let the motion stand, and perhaps the hon. member can revamp it?

Mr. ILSLEY: Very well.

Mr. SPEAKER: Stand.

RADIO BROADCASTING

QUESTION OF COMMITTEE TO CONSIDER ANNUAL REPORT AND REVIEW POLICIES OF BROADCASTING CORPORATION

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to ask the acting Minister of Transport if it is the intention of the government at this session to appoint a committee to consider the annual report and review the policies of the Canadian Broadcasting Corporation.

Hon. C. D. HOWE (acting Minister of Transport): I suppose the standard reply would be that the intention of the government will be made known in due course. I can go further than that, however, and say that in a war session I do not think the affairs of the Canadian Broadcasting Corporation are sufficiently complicated to warrant the appointment of a committee this year.

WHEAT

STATEMENT OF THE MINISTER OF TRADE AND COMMERCE AS TO GOVERNMENT POLICY

On the orders of the day:

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, at this time I wish to make a statement as to the government's policy with regard to the 1941-42 wheat situation. Before outlining the policy I wish to deal with the 1940 wheat quota system, and how it has worked out; the general 1940 deliveries and certain over-deliveries; the wheat position as we expect it to be on July 31, 1941; the wheat situation during the last war and the directly opposite situation in which we find the wheat problem to-day; our possible local wheat consumption and exports for 1941-42; our storage situation; the world wheat situation; the possibilities of wheat disposal, and the financial aspect of the wheat situation. Then I wish to outline the proposals as to our policy as it affects my department. I would appreciate it very much, Mr. Speaker, if I could proceed without questions until after I have made my statement.

On November 22 last I made a statement to the house dealing with the wheat position as at that time. On that occasion I reviewed the work of the government and the wheat board in meeting the unprecedented conditions which had arisen in the early part of the present crop year. It is my purpose to-day to review the main developments in the Canadian wheat situation since my report of November 22. Before doing so, I wish to point out to the house, Mr. Speaker, that my remarks deal with the marketing of wheat and matters relating thereto. The field of production lies within the jurisdiction of my colleague, the Minister of Agriculture (Mr. Gardiner), and policy references to production lie under his management. Because some of the members may not be familiar with wheat terminology, I would explain that the crop year runs from August 1 of one year to July 31 of the succeeding year. I would like hon. members to keep this in mind when I am speaking in terms of crop years.

Quota system. The most important development in connection with the handling of the 1940 crop was the establishment of a quota system intended to allow the equitable use of available storage by farmers throughout the three western provinces. This quota system was provided through amendments to the wheat board act in July last.

On November 19 out of a total of about 2,200 shipping points in western Canada nearly 1,600 points had quotas of 12 bushels per acre or less and slightly over 500 points had quotas of 15 and 20 bushels per acre. By the end of this week it is expected that every shipping point will have quotas of 15 or 20 bushels per acre. These increases were made in two ways. First, by increasing the general quotas at all shipping points in western Canada as soon as storage conditions warranted, and secondly, by increasing quotas at individual points, where local storage was available. The wheat board is making every effort to relieve the few points which remain on a 12 bushel basis. It may be said, therefore, that as far as the west as a whole is concerned a general 15 bushel quota is now in effect. In addition over one-half the shipping points in western Canada are now on a 20 bushel basis.

If every farmer wished to deliver all his remaining wheat up to 15 bushels per acre, local storage space at many points would at present be insufficient to house the wheat. However, many farmers are holding their wheat until spring or later to earn the farm storage payments. In addition the restrictions on shipments to the lake head are now being eased which will help to relieve pressure on country elevators.

The plan of payment for farm storage put into operation this year had the effect of slowing up deliveries which have, generally speaking, lagged behind the quotas established. I placed a statement on *Hansard* in November showing the basis on which farm storage is being paid. For example, wheat now being delivered to the board has earned 3 cents a bushel in farm storage. This plan has not only assisted a great number of farmers in a financial way, but has given an incentive to holding wheat on farms and has thus taken some of the load of the heavy delivery months usually experienced in the fall.

Up to November 19, as I pointed out to the house at that time, 221 million bushels had been delivered under the quotas then established. Since that time another 100 million bushels have been delivered so that the total receipts as at March 7 were 326 million bushels.

Before leaving the question of wheat quotas I would mention that in certain cases overdelivery of the established quotas has been permitted. Over deliveries were permitted to enable farmers to contribute to war service funds, such as the Canadian Red Cross Society, the Salvation Army Red Shield war service fund, the Young Men's Christian Association war services fund, the Canadian Legion war services fund and the Knights of Columbus Canadian army huts fund.

More recently the wheat board has permitted deliveries by producers who wished to buy war savings certificates or non-interest-bearing bonds. By permitting over deliveries in these particular cases, many of the farmers in western Canada have been able to contribute to these important causes.

In addition to these over deliveries under the quota which can be made without individual permission, the wheat board has in some cases upon special application issued special permits to allow of the delivery of low grade wheat over and above the quota established at the farmers delivery point, so as to relieve the feed situation in eastern Canada and British Columbia. It will be remembered that for the same purpose the board removed the quota on barley and oats early in the marketing season. In addition the board has facilitated the movement of feed grains and low grade wheat from country elevators.

On the basis of the present estimate of the 1940 crop, and after making allowances for seed and feed, we anticipate that approximately 472 million bushels of wheat will be delivered during this crop year. As I have stated, approximately 326 million bushels have already been delivered, leaving a balance of approximately 146 million bushels to come in during the next five months, an income of approximately 75,000,000 dollars in cash.

I said in November that it was the expectation of the wheat board that by the end of next July farmers would have had the opportunity to deliver the entire surplus production from the 1940 crop. I feel very confident now that that will be done. In connection with remaining deliveries, however, I would like to suggest to farmers to keep storage space at their local shipping points filled as far as possible in order to prevent an undue rush of wheat in the closing weeks of the crop year. I wish to stress this.

There is, I believe, no doubt that the quota system as it was applied this year by the Canadian wheat board has given general satisfaction, and in no small degree the successful working out of a quota system has been due to the splendid cooperation which the wheat board has received from wheat producers throughout Canada, from elevator companies and their country agents and from all those who have business interests generally in the prairie provinces.

When I say that, I am not in any degree minimizing the excellent work which has been done by the wheat board. I have received dozens of letters, entirely unsolicited, from individuals, farmers' organizations, business men, municipal organizations, and others, giving the highest possible praise to the wheat board for the way in which they tackled and

overcame the many difficult problems which they had to face. In the west there is a general realization that the wheat board throughout their activities acted in a completely fair, equitable and impartial manner in all their dealings with the 1940 wheat crop.

As to the expected position July 31, 1941, there are certain important factors, Mr. Speaker, which have had and are having a distinct bearing on our present wheat situation and although I do not intend to deal with them in detail, I am of the opinion that they should be brought to the attention of the members.

May I say first of all that in the last war the Canadian farmer was faced with a position which is definitely reversed in this war. Our wheat acreage then was little more than half the present level and the whole difficulty was shortage, not surplus. In this war the government had to intervene to prevent prices being radically reduced. Then the government intervened to put an upper limit on wheat. For part of the 1916 crop $2.40 per bushel was paid by the board of grain supervisors; for the 1917 crop $2.21 was paid and for the 1918 crop $2.24½. Finally in 1919-20 the then wheat board paid $2.63 per bushel. All these prices were on the basis of No. 1 northern Fort William and Port Arthur.

Since the over-running of Norway, Holland, Belgium and France, the United Kingdom has provided the only volume market for Canadian wheat in Europe and only very small shipments have gone to Eire, Portugal and Spain. At least as long as the war remains in its present phase, Canada cannot look forward to large exports of wheat. We expect exports during the present crop year will amount to about 150 million bushels, most of which will be taken by the United Kingdom. This, of course, will have a very definite effect on our wheat position at the end of the present crop year.

There are only two ways at the moment of disposing of Canadian wheat. We can either use it in Canada or we can sell it abroad. As far as using wheat in Canada is concerned we need about 50 million bushels for human consumption and another 77 million bushels for seed and feed, giving us a total domestic utilization of 127 million bushels. If in addition we can only export this year about 150 million bushels, it is apparent that we can look forward to the disappearance of only 277 million bushels of wheat during the present crop year. We started the year with 852 million bushels, by far the largest amount of wheat ever held at one time in this country. This means that on July 31, 1941, we will have a wheat carry-over of about 575 million bushels, and within a few weeks after that the 1941 wheat crop will be coming on the market.

I would now like to deal with the probable position in terms of the storage situation in Canada. The rated capacity of grain elevators in Canada is 521 million bushels including 84 million bushels of temporary annex space built in the last two years in the prairie provinces. After allowing for the storage of coarse grains and flax seed, a certain amount of Canadian wheat in the United States, wheat in transit, and space which for one reason or another cannot be used at particular times, it was obvious that additional grain storage would be needed in Canada prior to July 31, 1941, in order to take care of the balance of deliveries from the 1940 crop, and the government had given the wheat growers of Canada an assurance that they would accept from them the total deliverable portion of their wheat.

To meet this situation the government entered into an arrangement with western elevator companies for the construction of approximately 50 million bushels of temporary terminal storage space at Fort William-Port Arthur. The arrangements made were approved by order in council of February 19, 1941. I am assured a large part of this new space will be ready by July 31 of this year and the remainder in August and September. These facilities are being constructed by the elevator companies. The government has agreed to maintain all elevator tariff charges now prevailing without reduction until July 31, 1943, and to allow the companies to write off as depreciation for income tax purposes 50 per cent of the actual cost of construction in each of two successive years.

It is further agreed by the companies that after the 31st day of July, 1943, they will, upon request, each enter into agreements (upon the basis of payment of reasonable remuneration for each operation) as may be mutually satisfactory in the light of the operating experience gained during the period up to July 31, 1943, for the operation of its temporary facilities during the balance of the time such facilities are needed.

The following storage, it is expected, will be available at July 31, 1941, or shortly thereafter:

Statement showing approximation of storage as at July 31, 1941

Permanent storage, all classes	437,000,000	
Temporary country annexes	84,000,000	
Suggested new, temporary terminal	50,000,000	
		571,000,000

United States storage available for Canadian wheat	36,000,000
In transit, rail and water	15,000,000
	622,000,000
Allowance for working space and provision for coarse grains	40,000,000
Available storage for wheat	582,000,000

It is most likely that several million bushels of temporary elevator space will be erected in eastern Canada in addition to the above amount.

Another important factor is the increase in acreage which has taken place in the prairie provinces in the last six years. The Canadian Wheat Board Act has been on the statute books of this country since 1935. The passing of the act itself constituted national recognition of the wheat problem and national recognition of the fact that certain assistance must be given to the wheat industry especially in the direction of the maintenance of price. Paralleling this guaranteed price, there has been an increase in the wheat acreage in western Canada. In 1940, according to our statistics, there were 4,457,000 more acres sown to wheat than there were in 1935. I believe many farmers increased acreage this year despite the warnings that were given because they had in mind the situation which existed in the last war to which I have just referred—a great shortage of wheat with access to European markets. It is estimated that if wheat acreage had remained at 1935 levels during the past six years, we would have had 175 million bushels less wheat to deal with to-day.

Not only has there been an increase in acreage, but because of the tremendous advance which has taken place in developing rust-resisting varieties of wheat, we are now in the position that in years of good precipitation we may expect large crops such as those of 1939 and 1940. The reason is that rust damage had largely affected crops that otherwise would have yielded very well.

Another development has taken place in the west at the same time as the wheat industry has expanded and this has been the production of live stock, particularly hogs. This has secured for the western farmers a greatly needed source of farm revenue but it has not as yet brought about a compensating adjustment in feed grain acreages. If the west is to continue its present rate of live stock production, larger feed grain acreages are required to provide adequate reserves. I mention this fact because it is a matter which I am not sure is fully appreciated by all farmers in the west.

Having touched on these factors, which have a distinct bearing on our problem, I wish to deal with the situation which we must face in the crop year 1941-42. As I have stated, as at July 31 this year, the Canadian carry-over in all positions will be approximately 575 million bushels. In addition we will have the 1941 crop on our hands. We do not know how large that crop is going to be, but if we produce an average crop we will have to deal with about 1,000 million bushels of wheat in 1941-42—a supply of wheat greater than anything ever before contemplated and never before thought possible in Canada, and a supply which is beyond the immediate grain storage facilities of this country.

To emphasize further the seriousness of the wheat situation, I would point out that the United States will have a record carry-over this year, estimated at 400 million bushels. In addition, the winter wheat prospects are much improved over those of last year. Every effort is being made in Europe to increase wheat acreage. If this additional acreage is maintained after the war, possibilities of a large demand for our wheat are very much reduced.

The next question is how much of our actual and prospective supply of wheat can be disposed of in 1941-42. For seed, feed and human consumption an estimated total of 127 million bushels will be required. In addition we will export some wheat but our most optimistic estimate at the present time is that these exports will not exceed 180 millions. The maximum disappearance, therefore, will in our opinion be 307 million bushels.

On the basis of an average crop in 1941 we will have a carry-over at the end of July, 1942, of approximately 700 million bushels. Even on the basis of a very short crop (really a crop failure) we will still have a carry-over of over 500 million bushels. I do not need to stress to the house the seriousness of this position.

The financial aspect of the wheat situation is one which can only call for anxiety. The report of the Canadian wheat board for the year ending July 31, 1940, recently tabled showed a total loss of $67,401,986.33, sustained in the wheat board operations on the 1938 and 1939 crops. These losses do not include interest on outstanding bank balances in connection with the 1938 crop or carrying charges in connection with the 1939 crop accruing since July 31, 1940.

The dominion government, through the Canadian wheat board, will own the bulk of the estimated carry-over of 575 million bushels as at July 31, 1941. It is obvious that the obligation of the dominion government in respect of this wheat will be at least 400 million dollars. In addition it will require 50 million dollars to carry this wheat for

the ensuing 12 months. To these commitments already made must be added any additional commitments which we undertake in respect of the 1941 crop. It is in the light of these facts that we have had to reach a decision in regard to the wheat policy to be followed for the crop year 1941-42.

The government has been alive to the difficulties of the wheat situation and the whole wheat problem has been under constant and persistent study by various branches of the government and of the wheat board. The advisory committee, appointed last fall under the Canadian Wheat Board Act, has been giving a great deal of consideration to every aspect of the problem. From the many representations which have been made to me from people in all walks of life, throughout the west and throughout all Canada, I think I am safe in saying that no Canadian problem has received more careful attention and consideration than has the wheat problem.

I shall now outline the plans the government proposes to make effective this year in connection with the 1941 crop.

(1) To take such action as will ensure as nearly as possible that the visible supply of Canadian wheat on July 31, 1942, shall be no larger than on July 31, 1941. In other words we feel that we have reached the limit of the volume of wheat reserves which should be carried.

(2) To accomplish this a definite limit will be set on the amount of wheat which it will be possible to deliver either to the board, on the open market or otherwise, during the crop year 1941-42. The limit will be 230 million bushels—for the whole of Canada, an amount which it hopes can be sold in the domestic and export markets in 1941-42.

(3) The Canadian wheat board and the government have given the most careful consideration to an equitable plan by which deliveries of the 230 million bushels will be distributed among wheat producers. The quota system so successful this year will be maintained and these quotas will be based on the production from 65 per cent of the 1940 acreage. The first quota will be a general one and will allow the delivery of the same amount of wheat per acre from every farmer. The second and following quotas will be certain proportions of the 1941 yield for the farmer's shipping point; that is a high yield point in 1941 will have a higher quota per acre than a low yield point. I cannot at the moment give further details of the delivery plan but I can say that the plan will be equitable as between farmers and as between areas in the prairie provinces. This plan of quotas will operate only if total production provides a marketable surplus of wheat in excess of 230 million bushels. In the event of the crop being smaller than this the system of quotas will require to be varied to meet this condition.

(4) The dominion government through the Canadian wheat board will continue to guarantee an initial payment of 70 cents a bushel basis one Northern on wheat delivered during the crop year 1941-42.

(5) The Canadian wheat board will continue to pay storage to the producers on the same basis as in 1940-41, but only on the undelivered portion of the 230 million bushels.

(6) No change will be made in the amount or incidence of the processing levy as at present established.

My jurisdiction as Minister of Trade and Commerce covers the marketing of wheat. With this I have dealt. Agricultural production lies within the jurisdiction of my colleague the Minister of Agriculture. The restrictive measures I have outlined are deemed necessary. There must be compensations in view of these restrictions and the Minister of Agriculture will now deal with these compensatory measures.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, as has been stated by the Minister of Trade and Commerce (Mr. MacKinnon), the minister of that department has, ever since there was a Canada Grain Act, been responsible for its administration, and on each occasion when we have had a wheat board act the minister has also been responsible for its administration. I think I can say without fear of contradiction that no minister of trade and commerce and no wheat board has ever had a more difficult year to deal with up to the present than the year 1940. I think I can say at the same time that the minister, his department, and the wheat board in particular, should be complimented upon the efficient manner in which they have handled that difficult situation.

We have just been given an outline of the activities of the year and of the difficulties facing us this year. As my colleague has already intimated, I desire to deal with that section of wheat policy which has to do with production and its relation to the statements that have been made.

The Minister of Trade and Commerce has stated to the house what will be available to provide handling facilities and advance upon the wheat which can be taken by the government this year.

It is considered by the government that only 230 million bushels of wheat can be delivered to the board on the open market or otherwise. In view of all the uncertain circumstances, the government is of the opinion that

the advance upon the amount delivered should not be increased. The outstanding reason for that conclusion is the opinion that production of wheat should be decreased.

The figure arrived at will suggest that farmers keep before them an objective of not more than 65 per cent of last year's acreage. It has also been pointed out that a certain farm income is necessary to the maintenance of western economy. It is generally agreed that this should be not less than 325 million dollars.

If this income is going to be realized it will be necessary for the farmer to obtain from the lands which were in wheat last year a net return at least equal to that of 1940.

The government has therefore attempted to set up a plan under which that may be accomplished, while at the same time securing a reduction of the acreage in wheat to an area which is not likely to produce more than 230 million bushels.

It is not our intention to pay farmers for not growing wheat or to compel them to reduce acreage. It is our intention to pay them to do something other than grow wheat, which we believe in the long run will improve western agriculture.

We intend to do this in a manner in which, if the happenings of the war or the after-war period require it, reasonable quantities of wheat may be produced.

But, most important for the time being, we will attempt to do it in a manner which will give the farmer a net cash return comparable with what he would have had if he had followed his pre-war methods of agriculture and could have disposed of his products in the usual way.

It is our intention, therefore, to make payments of certain sums per acre on all reductions made in wheat sowings in the prairie provinces in 1941 as compared with 1940, provided the farmer does certain specified things with the land.

1. If he summer-fallows the reduced wheat acreage or part of it, the government will pay him $4 an acre for the reduced wheat acreage which is black July 1, 1941; payments to be made as soon as possible after July 1, 1941.

2. If he sows the reduced wheat acreage or part of it to coarse grains in the spring or, in the case of rye, in the fall of 1941 on lands not summer-fallowed, the government will pay him $2 an acre in 1941 as soon as possible after proof of sowing is established.

3. If he sows the reduced wheat acreage or part of it to grass or clover during 1941 provided the land has not also been sown to coarse grain or summer-fallowed, the government will pay him $2 an acre as soon as possible after proof of sowing has been established and an additional $2 an acre if the same land is still seeded down to grass on July 1, 1942.

4. If he sows reduced wheat acreage or part of it which is also sown to coarse grain, or which is summer-fallowed in 1941, to grass or/and clover or to rye in 1941, the government will pay $2 an acre as soon as possible after July 1, 1942, provided the same land is in grass or/and clover, or rye, on that date.

The above payments are considered to be liberal allowances for the work necessary to utilize the lands for the different purposes outlined. The methods by which the money can be earned are intended to be varied enough to permit of the farmer adopting the one most suited to his farming conditions in order to obtain revenue which he has been denied because he is unable to deliver the amount of wheat he has been accustomed to market.

An estimate of the amount of money which can be earned is possible. If the entire 9,000,000 acres were removed from wheat as summer-fallow, the amount distributed would be $36,000,000. If 6,000,000 acres were utilized as summer-fallow and 3,000,000 for coarse grains and grass, the amount distributed in 1941 would be $24,000,000 for summer-fallow and $6,000,000 for coarse grains or grass, or both, whereas the farmer would have additional returns from the increased coarse grains in this latter case, and in 1942 could collect additional amounts if the grass and rye lands are still out of wheat. Any other combination can be estimated similarly.

Certain regulations will be necessary to prevent corporation farmers or those operating farms on the tenant plan from taking advantage of the plan to the detriment of their tenants. Other safeguards may be needed. Such regulations will be provided as soon as possible.

A distribution of the funds made available by these payments between seeding and summer-fallowing, and between cultivation and harvest should be even more helpful in this difficult year 1941 than funds distributed in an increased price spread over the latter five months of 1941 and the first seven months of 1942. With this suggestion I desire to leave with the house the statement of policy as set out, in the first part by the Minister of Trade and Commerce (Mr. MacKinnon) and in the second part by myself.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, March 11, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Vien in the chair.

Mr. ILSLEY: Last night the leader of the opposition (Mr. Hanson) asked if I would have certain figures broken down and placed on *Hansard*. I hope to be able to do that to-morrow. It was not possible to have it completed for this afternoon.

Mr. McLARTY: I do not intend this afternoon to engage the attention of the committee with a discussion of expenditures provided in the appropriation bill for the Department of Labour, nor is it my intention to deal with matters of general labour policy.

I propose to devote myself entirely to the remarks which were made on Monday afternoon last by the hon. member for Vancouver East (Mr. MacInnis). I regret I was not present during the earlier, in fact during the major portion of his remarks. When I entered the chamber, however, I found that he was in a rather critical mood.

I felt that when I read *Hansard* I would find that in the earlier part of his address he had unquestionably been kindly and fair. Imagine my disappointment when, after reading his remarks, I found that they had been equally critical in the first as in the concluding section of his address to the committee. He went so far as to suggest that the Department of Labour might well be fused with the department headed by my colleague to my left, the Minister of Munitions and Supply (Mr. Howe).

The hon. member went so far as to say that throughout Canada to-day unrest was rampant among labour organizations and among working people. I suggest that if the unrest were as great as the hon. gentleman's informants have led him to believe, there might be some definite and tangible evidence of that unrest; yet it is gratifying to know that throughout Canada, from coast to coast, notwithstanding the wide increase in industrial activity due undoubtedly to the war, there is not a single strike in Canada to-day—not one. The closest approximation we have had to a strike is to be seen in rumours carried in the press with reference to some unfortunate decision in a hockey game in Cape Breton, on the strength of which some of the coal miners of the district thought it might be their duty to go on strike. They did not, however, and the production of coal is still going on.

The hon. member attributed this suggested unrest to lack of cooperation between employers and labour and lack of cooperation between the government and labour. There are throughout Canada 12,500 employers of labour. I fancy it would not be difficult to find in that number some who do not cooperate in a proper way with the working people in their employ. It would be remarkable were the situation otherwise, and one of the difficulties which the Department of Labour has constantly to meet is the fact that some employers do not cooperate to the extent they should with their own working people. When, however, the hon. member suggests lack of cooperation on the part of the government, I should like to indicate briefly the extent to which that cooperation has been given since the war commenced.

In the first place, the very day that war broke out we appointed the war-time prices and trade board. What was its purpose? Its purpose was fundamentally to maintain real as against nominal wages and to keep the cost of living at a point where working people would not be penalized as they were in the last war by a rapid ascent in living costs. We went further and, at the request of labour, extended the scope of the Industrial Disputes Investigation Act. Let me make it clear that the extension of that act under order in council to all war industries was made at the specific request of labour.

On June 19 last we passed an order in council in which the government set out the principles they considered should govern the relationship between employer and employee in the war period. I know it has been suggested by the hon. member for Vancouver East that the order in council, not being coercive, not being mandatory, did not go far enough; but I would suggest to the committee that this order in council was approved by organized labour before it was passed by the government. Incidentally to that, we appointed the national labour supply council.

What was its purpose? It was to endeavour to maintain on an even keel the relationship between industry and labour in this country.

It was a unique experiment. For the first time in our history we brought together the three great union organizations of the country to sit round the same table—the Trades and Labour Congress, the Canadian Congress of Labour and the Catholic Federation of Workers. In addition to that, for the first time in the history of the country, on an advisory council industry and labour sat with their feet under the same table to deal with the problems which the war necessarily entails.

We went further. When it was suggested that the Fair Wages and Hours of Labour Act, in connection with the construction industry in so far as fixed rates were concerned, was not being observed we passed, at the request of labour, an order in council stating that in the event of employers not observing the wages fixed by the Department of Labour in the construction industry, the moneys thereby saved by the contractor would be paid into the consolidated revenue fund, and it would be the duty of the deputy minister of labour to see that the parties who could not possibly be found otherwise be located and the money paid to them. In addition to that, we passed an order in council, P.C. 7440, which was designed to help labour and to help our general economic structure. This order in council was passed after it had been given the unanimous approval of the national labour supply council. This was done in order to prevent repetition of the circumstances that arose in the last war, where in that general spiral, rise of wages and cost of living, the cost of living won. It was done with the purpose of stabilizing our whole economy in war time. But the point I want to make, having regard to the suggestion of the hon. member for Vancouver East as to lack of cooperation in connection with that order in council, is that the order in council before it was passed had the approval of the national labour supply council.

The hon. member suggested that in dealing with that council labour had only a small representation. When I pointed out to him that it had a representation equal to that of industry, in its origin five of each, later increased by two representing the railways and the running trades—fifty per cent representation—he said, "But they are never consulted." I do not think there has been a matter of major labour policy on which the national labour supply council has not been consulted since its appointment, and—what is more remarkable, and showing the results that can be secured when men of good-will get together—all their decisions have been unanimous. They were, for instance, consulted in connection with order in council P.C. 6286 dealing with the problem of bidding for skilled labour by war industries. They were consulted as to order in council 5922, which provided for the establishment of the labour coordination committee. They were consulted in connection with order in council 7440. I believe it is safe to say that there has not been a single measure of government labour policy on which they have not been consulted since the time the council was established.

In addition to that the government passed, with the unanimous approval of this house, the Unemployment Insurance Act, which it is hoped will come into effect at an early day. This was done in order to meet the wishes of labour plus the desire to establish sound economic conditions in the post-war period. In other words, I cannot see how the government could consult labour through the national labour supply council to a greater degree than it has done.

The hon. member mentioned representation of labour on boards. Let me deal with the boards of which the Department of Labour has the recommending. They are of course represented on the unemployment insurance commission; that, as he stated, is provided in the act. They are represented on the unemployment insurance committee, and their representation on that committee is greater than that of industry, because labour has a definite representation of three out of six members and in addition there is one very prominent social worker who is a woman. The commission itself will be setting up a national employment committee under the act, but I believe I can assure hon. members that labour will secure a fair representation. An offer of the chairmanship of that committee has already been made, to put it mildly, to one of the leading labour leaders of this country in the person of Mr. Tom Moore, and I believe he will be kind enough to accept it. In other words, so far as government cooperation with labour is concerned I should like to have any suggested failure stated, not in wide and general terms, but by pointing out specifically wherein cooperation has failed.

The hon. member dealt with certain specific instances in which he felt that injustice had been done. He mentioned the National Steel Car company at Malton, and he asked my colleague the Minister of Munitions and Supply why there was a labour turnover of seventy-five to ninety per cent in that plant. The figure struck me at the time as startling and requiring explanation. I took the matter up with the company and inquired as to the correctness of the assertion. The reply I received from the president of the company was this: "In last six months, the labour turnover at Malton has been approximately twelve per cent, of which about a third have left to join the services." Quite a wide difference, Mr. Chairman.

Mr. DOUGLAS (Weyburn): Can the minister give the total number of men who quit in 1940?

Mr. McLARTY: No, I have not that figure; I have simply the reply to my inquiry. I quoted the statement made by the hon. member for Vancouver East, and asked as to its correctness, and that is the reply I received. Even that may be a large turnover. But when we consider that the aircraft industry is a new industry; that at the beginning of 1939 the number of men employed in it was 1,000, whereas to-day it is over 18,000, is it not reasonable to expect that it will show some greater measure of turnover than the older and more stabilized industries?

The hon. member went on to refer to conditions existing at the Montreal Construction Supply and Equipment company. Notwithstanding what was said the other day about the federal government having the power under the War Measures Act to overstep provincial rights and assume provincial duties, the fact is that the inspection of sanitary conditions at a plant is a provincial responsibility. There can be no doubt about that, because if it were not so, apart from any constitutional difficulty there would be the practical difficulty of duplicating the services necessary to do that work. It is not unreasonable to assume that out of 12,500 plants in Canada there may be found some that are not living up to their obligations in regard to sanitary conditions. So far as the Department of Labour can deal with the matter—and the department can do so only when it is drawn to their attention—we are glad to do so.

The hon. member went on to point out that they are working seven days a week. I agree that that is extremely undesirable. Experience has shown that working seven days a week decreases rather than increases production in a plant, owing to the fatigue that results. That was the experience in Great Britain; when after the collapse of France they started to work seventy-two hours a week but found the fatigue was such that production really was impeded. The ministry of labour in Great Britain has suggested that the optimum hours of work in labour for maximum production are fifty-four to fifty-six a week.

The hon. member went on to refer to the Fairchild company of Montreal, aircraft manufacturers, and suggested that discontent and unrest existed in that plant. About two weeks ago the hon. member for Weyburn (Mr. Douglas) placed on *Hansard* a memorandum given to me by some employees of that plant, members of the union. It was sent to him by members of the union, and he assumed that he was within his rights in putting it on *Hansard*. I do not criticize him in any way for the action he took, because he had no reason to believe it was confidential. But the information he placed on *Hansard*, which was reinforced by the remarks of the hon. member for Vancouver East, was such as to indicate that unrest existed in that plant as between the employers and the employees.

Mr. MacINNIS: I would ask the minister to quote from *Hansard* anything I said with regard to unrest in the Fairchild plant.

Mr. McLARTY: The hon. member brought up the matter of finger-printing, and I was going to deal with that.

Mr. MacINNIS: I suggested something else.

Mr. McLARTY: You suggested the matter of finger-printing.

Mr. MacINNIS: That is something entirely different.

Mr. McLARTY: Oh, no; the suggestion was that it was creating unrest among the employees. The whole tone of the hon. member's remarks was that there was unrest among these men, and this was part of the evidence he produced to prove that contention. All right. The grand lodge representative of the International Association of Machinists, organizing department, who is residing in Montreal, read in *Hansard* the remarks of the hon. member for Weyburn, and as a result he wrote the hon. member. To be quite fair I must say that the hon. member for Weyburn sent me a copy of the letter, as did the writer. I should like to read it, in order that we may see the measure of unrest that exists at this plant. In the letter to the hon. member for Weyburn this gentleman states:

My attention has been drawn to *Hansard* of February 28, in which you are reported as quoting from a memorandum submitted to the Minister of Labour by a delegation of aircraft workers employed by the Fairchild company of Montreal.

The document from which you quote was intended for the Minister of Labour only, was considered confidential, and not for public ventilation. We are not aware of the source from which you obtained this memorandum—

Let me make it quite clear that I am not criticizing the hon. member for Weyburn. I know he did not realize that it was confidential.

—and beg to inform you that its publication was not authorized by this association, or any of its responsible officers.

Since the memorandum was submitted to the Minister of Labour we are happy to say that conditions in the Fairchild plant have greatly improved. Through the good offices of the Minister of Labour the management and the employees were brought together, the differences and misunderstandings that did exist have been composed, and a spirit of cooperation and good will now obtains which, we believe, will bring about what we all desire, namely, the smooth and efficient running of the plant without interruption.

While we are aware that you acted in good faith and in a public spirited desire to help the national war effort, we believe that no public service can be rendered by pursuing the matter further, in view of the good relations that now exist between our association and the company, and our mutual determination to work together to obtain the best results.

Mr. STIRLING: Would the minister say who signed that letter?

Mr. McLARTY: The letter is signed by Robert Haddow, grand lodge representative of the International Association of Machinists, organizing department.

Mr. FRASER (Northumberland): The hon. member for Weyburn should apologize to the house.

Mr. DOUGLAS (Weyburn): No, Mr. Chairman. The memorandum to which I referred was submitted to the Minister of Labour, it is quite true. The facts contained in it must have been correct, but the situation has been cleared up and good relations have been established, for which I am very glad. But surely I have no reason to apologize to this committee or to the house.

Mr. FRASER (Northumberland): You had no right to the letter, and you put your own interpretation upon it.

Mr. DOUGLAS (Weyburn): That is not true.

Mr. McLARTY: I must give the hon. member a clean bill of health in connection with this matter. He did not know it was confidential; it was sent to him by a member of the union. Had he known it was confidential I am quite positive he would not have used it.

To deal with the further matter brought up by the hon. member for Vancouver East, the matter of finger-printing, I had not heard of it until he made his statement. I took up that point with the manager of the plant, in order to determine just what had occurred. This gentleman stated that this finger-printing had been done entirely voluntarily, that there was no compulsion about it at all. The purpose for which it was done was this: in the event of a serious accident in the plant, or in the event of sabotage, this was the most convenient method of identification they could think of, but no one in the plant who did not wish it was finger-printed.

Then the hon. member went on to deal with a personnel application of the International Metal Industries of Vancouver. That application has been placed on *Hansard,* and I think every hon. member of this committee who has read it will agree that it is a harsh and conscienceless document; I do not believe anyone would think otherwise. But at page 1366 of *Hansard* I find this statement made by the hon. member for Vancouver East:

I am told they are approved by the government; on that point, however, I have not had verification.

It would have taken the hon. member two minutes to obtain that verification if he had so desired. Here is the point. He is suggesting that there is industrial unrest. Does it help to allay or assuage that industrial unrest to place on *Hansard* the suggestion that the government has approved a heartless document like this? Would it not have been better for the hon. member to endeavour to verify that statement before placing it on *Hansard?* Does it relieve industrial unrest or help our war effort to say, " I have been told the government approved of it?" In the first place, I think the hon. member probably realizes that there is no department of government which passes upon personnel applications in the matter of employment in private industry. In the second place, far from approving it, as soon as the matter was drawn to my attention I immediately wrote the company, and I should like to put the letter on *Hansard:*

There has been brought to my attention a reproduction of the "personnel record" form which you apparently are using in connection with the employment of your personnel.

I regard it as unfortunate that such a form should be used by any Canadian industry and especially at the present time when the success of the war effort so largely depends on effective cooperation between management and labour. The searching character of the information requested is resented on the part of labour. Its general effect is to hamper the effort of this department and of the provincial departments of labour to establish a greater conscious-

ness of identity of interests on the part of management and men in this period of crisis.

By order in council 2685 of June 19, 1940, copy enclosed, the government laid down certain principles designed to establish and maintain good relations between firms engaged in the execution of war contracts, and their work people. Whether a firm is engaged partly, exclusively, or not at all on war contracts, it cannot but be detrimental to the war effort as a whole if the principles laid down are disregarded as has been the case in connection with the use of the "personnel record" form referred to above. I hope you will see fit to amend this form and expunge that part of it which is provocative in character.

If the hon. member for Vancouver East had merely telephoned me I should have been glad to send him a copy of the letter. I think it is sufficiently clear that this letter, heartless as it is, never secured the approval of this government.

Mr. MacINNIS: What is the date of the letter?

Mr. McLARTY: March 3. That was a Monday, and the information came to me the previous Saturday. Incidentally, in connection with the Richardson Road Machinery Company Limited, to which the hon. member also referred in his remarks, I understand that the use of the form about which he complained has been discontinued also.

The hon. member for Vancouver East complained about delay in the appointment of boards under the Industrial Disputes Investigation Act. I should like to make my position clear with respect to the set-up of these boards. Once the applicants have satisfied the Minister of Labour that they have complied with the necessary preliminary conditions, the minister has no discretion in the matter; it is mandatory, and he must set up a board. But on the other hand it is necessary that he be satisfied that those preliminary conditions have been complied with.

An application came from some of the employees of the National Steel Car company at Hamilton. I believe the facts are that that company employs in the neighbourhood of 2,400 to 2,500 men. The number involved in this particular application—and I may point out that they were maintenance men—was about 70. The company stated that, contrary to the statement made in the application, there had been no negotiations, and that the application did not represent a majority opinion in that particular department.

I felt it was necessary to obtain information as to the correctness of the statement. I endeavoured, without success, to secure negotiations. My suggestion was that the only way to determine which statements were correct—and I am not suggesting that there were deliberately untruthful statements—was to take a vote of those particularly involved. That vote was to be taken last Saturday, and an officer of the Department of Labour went to Hamilton for the purpose of taking it. There was a dispute as to those who were properly on the list, and the officer was unable to take the vote on Saturday afternoon, as had been desired. However the company waived the question of vote, and the board was set up. I might point out that it had been set up before the hon. member for Vancouver East spoke in the house.

But the mere fact that the Department of Labour secures an application for a board does not mean that we immediately rush to our forms and endeavour to appoint it—and for this reason: We try to iron things out in every possible way without appointing a board. That we have been somewhat successful along that line is shown by the fact that out of 95 applications for boards received since the beginning of the war it has been necessary to set up only 47. In other words the conciliation service continues, even though the application for a board is there. I would make this further point: If in some instances there are delays beyond the period of fifteen days provided in the act, those delays are the result of endeavouring to compromise the difficulty rather than set up a formal board.

I believe I have covered all the points which have occurred to me, arising from the remarks of the hon. member for Vancouver East. He mentioned the name Sir Walter Citrine, one of the outstanding labour leaders of the world. We have had the opportunity, and the inspiration arising therefrom, of having Sir Walter Citrine in this country. He was tremendously generous of his time. While in Canada he addressed Canadian clubs and units of the Trades and Labour Congress. Wherever he went I believe he instilled confidence in the fact that the labour movement of Great Britain is sound. His visit afforded us an opportunity of paying in a small way a tribute to those who are working so hard in Great Britain. I believe that having him in Canada was a real help to our national effort.

When he returned to England it would appear that he did not report that there was that great measure of labour unrest which the hon. member for Vancouver East has found. In fact, within a short time after his return Mr. Hugh Gibson, chairman of the Trade Unions Congress of Great Britain, made some observations respecting the labour situation which were entirely complimentary to the government of Canada and to the Department of Labour.

I believe that no advantage is served by endeavouring to stir up labour unrest through suggesting that it exists. I believe, sir, that these small items of complaint might be

better handled by the Department of Labour than on the floor of this committee. I believe, further, that if we will all cooperate, not to disturb but to heighten the confidence of labour, we will do more by way of contribution to the war effort than we could do by any other method.

Mr. MAYBANK: Mr. Chairman, I had intended this afternoon to resume the discussion I initiated last night. It had been my intention to speak at the beginning of to-day's sitting, but I was made aware that the Minister of Labour (Mr. McLarty) desired to make a statement, as he has done, and consequently I deferred rising until now. I make this explanation because the two hon. members to my left rose immediately after the minister spoke, apparently with the idea of following up with further debate on that subject. This is the reason for my appearing to butt in, and, if necessary, I offer my apologies. I am really carrying on from the point I had reached last night. The speech by the Minister of Labour was what might be called a sweet interlude.

Mr. HANSON (York-Sunbury): It was not so sweet to some people.

Mr. MAYBANK: Last night I said the Minister of Munitions and Supply (Mr. Howe) had made a couple of statements to which at that time I wished to direct attention. The eleven o'clock adjournment interrupted my speech.

I have read over the statement made last night by the minister. The committee will recall that the only information he reported from Mr. Crabtree was that the equipment necessary to burn the type of coal they ought to burn was more expensive. He indicated that no other consideration entered into the matter; that the initial cost of equipment was the only one. If there are other arguments against the use of lignite coal, a coal which could be used economically in the war plant in question, I think we ought to have them. At the present time, however, there is nothing before the committee except the objection that the initial cost is the one bar to using the coal which could be used economically.

If one has available at the place he is going to burn it a coal costing $3.50 a ton, and if he has another coal at the same spot costing $8.15 or $8.75, then, of course, other things being equal, there cannot be very much argument as to which coal one ought to use.

Mr. HOWE: Would the hon. member give us the comparative British thermal units for each kind of coal?

Mr. MAYBANK: I will do that. The minister was just a little quick on the trigger that time. I did not suggest that the difference between these two coals was to be reckoned by the difference between $3.50 and $8.75. Other things being equal, it is clear which of the two is the more economical. Everyone knows that when you are going to buy coals you find out their heating values as expressed in the phrase just used by the minister. I think it is generally agreed that as far as thermal units are concerned, almost twice as much of the lignite coal is required as compared with the other type of coal. I may be a little generous in that statement because the quantity is hardly two for one. I think the B.T.U.s, run 74 and 140. Therefore the price is actually not $3.05, but twice that amount, or $6.10. That is what you must pay to get the proper calorific results at the place where you want to do your burning. You do not need to go any further than that to find out where there is a saving. Engineers have arrived at a great many findings with respect to this matter, and I may be able to give some to the committee. Anyone could figure out a saving of around $60,000 or $75,000 on the amount of coal that these people say they are going to burn. In the light of that, it seems to become necessary to lay out the information for Mr. Crabtree as to the cost of one kind of equipment as compared with the cost of the other.

I know full well that no matter what I may say, no matter what any person from Saskatchewan may say or no matter what industrialists in western Canada may say, the Allied War Supplies Corporation are going to put in equipment to use the other kind of coal. I am under no illusion as to what power there may be in the human voice, either mine or that of anyone else. I know full well that there will be no power in anything I may say. I know full well that the least economical job will be done. The decision was arrived at when the minister was away. I do not say it was arrived at because he was away; I say it was arrived at when he was away. When he took up this question, as he stated, he was beaten before he started because these people had reached their decision.

Hon. members know that if they want to burn a lot of coal, the wise thing to do is to decide what is the most economical coal to use and then get the equipment to burn it. Everyone knows that; one does not need engineers to figure that out. These people, however, chose the equipment and then said they could not burn lignite coal. That was the first statement. I am sure the minister will confirm what I am saying, and many other people will also confirm it. As I say, the first statement they made was that they could not burn lignite coal, and they gave

a number of reasons, although none of them has been introduced into this question so far. In recent times, when pressed for a statement, they have said they are going to burn a great deal of lignite coal, as much lignite coal as experience shows it will be possible to burn. The experience with the type of equipment that they have shows that not an ounce of lignite coal can be satisfactorily introduced into the furnaces. They know that, and they knew it last January when they dealt with this matter.

That is why I referred last evening to this organization which is not responsible to this parliament. It is just playing horse with the members of the government and the members of this parliament. As I have said, they first made their decision and then, after pressure had been applied, they said they would do something which at first they had stated was not possible. The same engineers said it was not possible; they could not think of it; then they said they would do it, although it would depend upon experience. That was done in an effort to shut up any argument against them; they had to do something to stop any talk that might come up.

I have no interest in this matter, such as some people might have. This is not something that impinges upon my constituency. It does not affect labour in my constituency one way or the other, as might other matters which would have to do with railroad labour. That question does not come into the picture, at least to any extent. With the greater bulk of coal which would be necessary, it is possible that more switching would have to be done, but that would be just a bagatelle. The situation, however, would be altogether different with hon. members from Saskatchewan where the people would be more directly affected.

There is not an industrialist in western Canada who would not be interested in the most economical type of fuel to use. When an industrialist is interested in this matter, doubtless those concerned with the burning of lignite coal speak to him. Many of these men have come and told me what they have done in their industries in order to carry on economically, and then they say, "Look at what the government is doing in this matter." I am put on the defensive immediately. I realize that it is not the government, although technically I suppose it is. In a sense the government is not doing it, but large powers have been granted to this corporation. Apparently what they do is not subject to review. That is how the matter originated with me. There is no doubt that any industrialist who was trying to run his plant economically, and who was placed in the same position in which we were in January, would make a decision in favour of lignite coal.

I should like to have definite information as to costs of equipment. We would then be in a position to know what the saving would be. The information now before the committee is not complete enough. The question as to the possible value of the equipment after the war may be raised. The minister said that Mr. Crabtree indicated that there was not as much salvage value in one kind of equipment as in the other. I suggest to the committee that they place this problem in front of a group of first-class engineers who have had experience in the use of lignite coal. They will say that by the use of lignite coal, there will be saved in one year a great deal more money than the whole additional cost of the comparatively more expensive equipment. I lay that down as a challenge at the present time, that if engineers of that sort, completely neutral, are approached and inquiry of them is made, they will say exactly what I have said, that in one year there will be saved more and much more than the additional cost of the equipment. If that is so, the question of salvage no longer matters. If the machine is paid for as a result of the first year's savings, the salvage question may be thrown out of the window.

Mr. HOMUTH: In the figures the hon. member is giving and probably about to give, is the whole cost of the equipment depreciated —obliterated?

Mr. MAYBANK: I get the point. I thought I was making that clear. Suppose you have two machines, one costing $10 and the other $20, for roasting peanuts. If, by buying the $20 machine, you can roast your peanuts so cheaply that you can make much more money than by using the $10 machine, you do not need to worry very much about the salvage question when your job is completed. That is exactly the picture of the lignite coal equipment. There is nothing to the salvage question; you do not need to consider it. There is, I am convinced, a greater saving. I see the Minister of Munitions and Supply smiling. All right. I would, however, point out to him that his statement last evening was just the vague one that Allied War Supplies take a different view. There is nothing in that statement of the minister except that we have a bunch of very good men and that we must leave the decision to them. The government should not abdicate. These people—Allied War Supplies—really usurped power long ago.

The first thing I want to know is this: What are the differences in cost? First, let

me point out to the committee that the minister himself stated that lignite coal requires a different kind of equipment. That sentence, taken with some other sentences in the statement, indicates clearly that the right equipment is not being put in; and if they are not putting in the right equipment, they are not going to keep their promise to burn a large percentage of lignite coal, as the minister said last night they would. On the other hand, if the equipment installed there is good for burning lignite coal, there is no argument at all for not using it.

Mr. HOMUTH: One hundred per cent.

Mr. MAYBANK: There is no reason why they cannot burn lignite 100 per cent, if they can burn it 80 per cent. The minister cannot have it both ways. He cannot say in one breath that the equipment is not suitable, and then say in the next breath that they will burn 80 per cent lignite. It does not take a logician to see that there is something wrong with that. I should like to have a definite answer to my question as to what the additional costs are, and furthermore I should like to know when these officials made their decision.

Mr. HOWE: This would seem to be a matter that might very well be referred to the parliamentary committee which has just been set up on economy in expenditures. It has power to call witnesses and will have all the machinery necessary to go into this subject thoroughly. If the committee cares to bring down a report to parliament that there has been wasteful expenditure in connection with this installation, I shall be prepared to accept the rebuke and take the responsibility.

Mr. COLDWELL: May I say a word in support of the point of view put forward by the hon. member for Winnipeg South Centre (Mr. Maybank). I would suggest that if the committee is to make some inquiry into the question, they inquire from the city of Regina regarding its experiences with the burning of lignite coal by special equipment. I was a member of the city council for a number of years and I know that all of us were a little diffident about introducing the new equipment for burning lignite coal, but in the Regina school of which I was principal for some time, the fuel costs when burning lignite coal were cut from $3,000—that was when oil was used—to around $800 in the same kind of winter. Lignite has been successfully used in the city of Regina.

Mr. HOMUTH: How about the delay if this question has to go before the committee?

Mr. COLDWELL: I said, if it were put before the committee, but I do not think that is necessary. The hon. member for Winnipeg South Centre can probably give the minister the information himself.

Mr. MAYBANK: I wish to make this further remark with reference to what the minister has said. It is all right to refer this question to a committee, but while that is being done, these gentlemen who made their decision a long time ago will simply go right ahead using what they are using now. Therefore I say that if there is any chance of effecting a saving, it should be done at once. I do not see why a matter of this kind should be taken out of the public eye and referred to a committee. It is, of course, a proper subject for a committee to discuss further, but do not let us understand by that that nothing is to be done here about it. I want to point out that the minister has not yet pledged his own independent belief that the right course is being taken. No. This company is being put up for the parliament of Canada to-day. That is what is happening.

Mr. NICHOLSON: I would ask the minister if it is too late at this stage to make the necessary change in the equipment. The hon. member for Winnipeg South Centre has made what appears to me to be a very good case, and I should like to know from the minister whether the proper type of equipment for burning lignite could not now be installed.

Mr. HOWE: Such inquiries as I have made indicate that orders for the equipment have been given, but how far the manufacturer is advanced with them I cannot say. My hon. friend says that the hon. member for Winnipeg South Centre has made a case. May I suggest to him that the engineering reports obtained by those responsible seem to lead to a different conclusion. I hardly think a case has been made just by hearing one side. I saw the other side of the story as presented to me by officials of Allied War Supplies; it seemed to me they had a very strong case for doing what they did, and they did it with both sides of the case before them. It is not as if they did not know about lignite coal or had not a good deal of information about its use in western Canada. My hon. friend indicated that an engineer familiar with conditions in Winnipeg had been engaged in the case, because I think he told me or the house that the engineer had operated in Winnipeg at some previous time. If, however, the committee on economy is for any purpose whatever,

and can be helpful in the war situation, this is the type of case in which it can be helpful. It seems to me a proper case.

Mr. MAYBANK: How can they be helpful?

Mr. HOWE: They can advise whether a wrong decision has been made, after hearing all the expert evidence that can be produced before them, and being able to weigh that expert evidence. We in this house are speaking as laymen. I am not a heating engineer.

Mr. MAYBANK: There is no advantage in locking the door when the stable has gone.

Some hon. MEMBERS: Oh, oh.

Mr. HOWE: According to the hon. member's own statement, the stable has been gone for some time.

Mr. MAYBANK: Perhaps I should put that in completely Irish fashion and say there is no use in bridling the horse after the stable is gone, but of course hon. members understand what I meant. There is no use in locking the stable door after the horse has run away, and that is practically what we would be doing by merely referring the matter to a board to look into it after the fact. It is possible to get a complete examination now by neutrals. It is said that this organization has expert opinion. One of their experts is a man who was engaged recently in handling a particular type of equipment. I am not trying to suggest dishonesty.

Mr. HANSON (York-Sunbury): Did he get a commission on this?

Mr. MAYBANK: That is the point. The leader of the opposition says, "Did he get a commission on this?" Definitely, that is not the sort of thing I am suggesting; but this particular engineer, who jumped immediately to the use of a certain kind of equipment, had been selling that equipment for years. He tried to persuade us in Winnipeg to keep that equipment in one of the hospitals, but they switched to lignite equipment and the result of switching to that equipment was apparently twofold. In the first place, our bills dropped from $38,000 a year to about $16,000 or $17,000. When the bills were high in the first part of that period when we had his equipment and had to burn the other kind of coal, we did not have the hospital fully open; but at a later time, after we refused this engineer, our bills were around $16,000 and the hospital was fully open, more space being heated at less cost. That is the expert who to a very large extent has made this decision He told me so.

Mr. HOWE: Let us get one thing straight. Is any employee of Allied War Supplies Corporation interested in the sale of the equipment of which the hon. members speak.

[Mr. Howe.]

Mr. MAYBANK: I am making that clear. I am not making any charge.

Mr. HOWE: The hon. member is making the charge that an employee of Allied War Supplies Corporation is engaged or interested in the sale of particular equipment. Is that true or not? Yes or no?

Mr. MAYBANK: If the minister had really listened with his mind as well as his ears he would not be asking that question.

Mr. HOWE: It is a fair question. Is any employee—

Mr. MAYBANK: Just a moment now until I finish. I am not going to be whipped around, or down. I drew attention particularly to the fact that I was not making any such suggestion, and I did so in this way. The leader of the opposition called out to me, "Did he get a commission?" I drew attention particularly to the fact; I said, "That is just an illustration of the very thing I am not trying to charge."

Mr. HOWE: Mr. Chairman—

Mr. MAYBANK: Just a minute; let me finish.

Mr. HOWE: Who is this mysterious engineer of whom the hon. member is speaking, and who employs him?

Mr. MAYBANK: I have made that clear already.

Mr. HOWE: The hon. member has not made it clear to me.

Mr. MAYBANK: I will try to make it clear and draw a blueprint. The man I spoke of was, as I said, engaged in selling this equipment for a long time and was an engineer, one of the engineers that made this decision, and—

Mr. HOWE: Is he an employee of Allied?

Mr. MAYBANK: Just a moment.

Mr. HOWE: The hon. member says he made a decision.

Mr. MAYBANK: The minister cannot both listen and speak at the same time. His province at this moment is to listen. I do not wish to be in any way truculent or disrespectful or to get under anyone's skin; on the other hand, while I do not know all my rights, I know some of them, and they are not going to be just whipped away at the will of anybody else.

The CHAIRMAN: I would point out to the hon. gentleman that he should not suggest that anyone is trying to whip his rights away in any direction. He has the floor and he can

refuse to allow an hon. gentleman to ask him questions. He has the floor, but I do not believe he should use such an expression.

Mr. MAYBANK: Very well, Mr. Chairman, I am sorry. I withdraw that whole-heartedly without any mental reservations. I would make this observation, however, with reference to your own remark that I have the floor and may refuse to answer questions, or decline to be interrupted. I do not know that gets one anywhere sometimes when some people try to interrupt. One may decline to be interrupted but it does not necessarily work that way.

The CHAIRMAN: If the hon. member will request the privilege of not being interrupted, I will insist on the observance of the rule.

Mr. MAYBANK: It is all right; there is no harm done. I believe that, in my endeavour to answer the minister, who does not want to wait for the answer, I was at this point: I said that this man had been in the employ of a company which is selling this equipment. He is one of the engineers of Allied War Supplies Corporation and one of the important men who made this decision. I now want to make it clear that I am not suggesting any improper motive on that man's part, but I am suggesting that with his long experience of fighting for a certain type of equipment he naturally, in making his decision, gravitated in the direction of choosing that which for many years he had thought was a good thing. I would say that that in itself is something which ought to be guarded against. That is as far as I am going. I have already mentioned the gentleman's name. It is Abbott. I think I have made that situation clear.

Mr. FRASER (Northumberland): During the discussion before the committee, from time to time the matter of aircraft production has been mentioned, and mentioned on a number of occasions in rather disparaging terms. Yesterday when the hon. member for Hastings-Peterborough (Mr. White) was speaking, he made a statement, as I notice in *Hansard,* about the "muddle" in aeroplane production.

I should like to take a few minutes of the time of this committee to place upon the record some facts in connection with aeroplane production in Canada. Notwithstanding what has been said in the house, I believe there are still misgivings and misunderstandings in the mind of the public in connection with Canada's effort in the production of aeroplanes. I should like to deal with this matter in all fairness from the point of view of actual facts, and to place before the committee some reasons why aeroplane production in Canada is in its present state. And when I use the phrase "present state" I mean present state of production.

The other day the Minister of Munitions and Supply said that it would be a good thing for hon. members to visit industrial plants in Canada to gain some knowledge of what the government's war effort, or the country's war effort, is accomplishing in connection with the building of armaments. I have spent a great deal of my time during the last year in plants throughout Canada that are producing everything from ships to aeroplanes, including the Canadian arsenals. But I am going to confine my remarks to aeroplane production. I am going to give the reason why aeroplane production in this country has not gone forward at the pace that would please hon. members of this committee and would, I know, please everyone in Canada. That reason is that we could not get money voted in this house to build an aeroplane industry. Prior to the outbreak of the war the aeroplane industry in Canada was practically nil. During the years 1936, 1937, 1938 and 1939 it was impossible, as hon. members know—and I am not making this statement in any spirit of criticism—to get defence estimates passed through this house sufficient even to lay the foundation of an aeroplane industry such as is required in Canada at the present time.

In discussing the production of aeroplanes we must break that production down into two distinct classes. Class 1, as Mr. MacMillan has correctly stated in his report, includes fabricated or training planes such as were used in this country prior to the war and can be and have been constructed by labour accustomed to turning out that type of plane—the low-power training plane of the kind produced by de Havilland and Fleet. The technicians to develop these are not nearly as hard to train as those required for class 2.

In class 2 we have the all-metal plane which we started to develop in this country only after the outbreak of the war. I refer to the report of Mr. MacMillan tabled in this house by the Minister of Munitions and Supply some days ago and to the limitation he made in regard to every manufacturer except de Havilland and Fleet, that is, "unless unforeseen stoppages arise in supplies or component parts." In every case in discussing all-metal planes such as Lysander, Bolingbroke and even the Anson, Mr. MacMillan has made the limitation that construction would go ahead at a certain rate provided the component parts were available.

Prior to the declaration of war the development of the aeroplane industry in Canada

was limited by the amount of money voted in the defence estimates by this house year after year. I want to pay tribute to the then minister of national defence and the then deputy minister for giving, in two or three instances, pilot or educational orders for all-metal planes. But the component parts for these planes were not being made in Canada. The manufacturers in Canada until the outbreak of the war felt that these necessary parts would be available from England. The British government and the representatives of the air ministry in London were very insistent on this—perhaps I should say conservative—that they did not want pilot orders for building of planes in Canada to follow the design of United States planes, but they asked—and I do not think I am out of place in making this statement—that in the construction of planes in this country Canada should adhere to British design.

In an 8,500-pound bombing plane, excluding the engine, there are 50,000 different parts. Instruments were not made in Canada, neither were tires nor hydraulics. Most of these component parts had to be brought from England. Even in England, until Dunkirk, people did not realize that they would not be in a position to supply the component parts, or even the engines, for Canadian planes. The result, as Mr. MacMillan stated in his report, was that the progress in the production of aeroplanes in Canada depended upon obtaining component parts either from England or from the United States. But after the war broke out, and particularly after Dunkirk, that source of supply was absolutely eliminated. It was impossible to procure instruments in Canada, even to procure tires for the landing gear.

Another factor of which hon. members should take full cognizance is that no order was given to or available for Canadian aeroplane manufacturers which would justify any attempt at mass production methods. When a company like National Steel Car had an order for only twenty-two Lysanders, all-metal planes powered with British engines, they obviously could not organize mass production similar to that attained by Lockheed, North American, or other companies in the United States. They had to proceed on the basis of the orders they had in hand, with no promise of further business.

To my hon. friends on the other side I say with respect—and with pity—that in the interests of Canada and the British empire it is too bad that we did not year by year, particularly in 1938 and 1939, get sufficient money in our estimates to be in a position to build up an aeroplane industry in this country.

[Mr. Maybank.]

After Dunkirk Canada found herself in urgent need of machine tools and precision instruments, gauges, every type of precision machine and tool used in the production of munitions and armaments. Only last week on the floor of the house it was stated that Australia had got into the production of aeroplanes, and I think reference was made to a copy of *Life*. It is true that Australia is producing a training plane. It is true that in 1937 the Australian government procured the rights from the Pratt-Whitney company for the production of the Pratt-Whitney engine in Australia. There was perhaps greater reason for Australia doing that than Canada, on account of Australia's isolation from the large producing centres of the United States. But Australia is producing only training planes, and only one type of engine, the Pratt-Whitney 500-horsepower engine, which is being used in that training plane.

What were we in this country confronted with at that time? When proposals were submitted to the government of the day by the Pratt-Whitney company, the same company that built the plant in Australia with respect to a programme involving about $12,000,000 for a plant to build aeroplane engines in Canada, the money, as every hon. member who sat in the house in those days knows perfectly well, was not available. Neither hon. members of this house, nor I believe the people of Canada, in 1937, would have acquiesced in the expenditure of a large sum of money to build aeroplane engines in Canada. Last week some hon. member asked, "Why are we not building aeroplane engines in Canada to-day? Why don't we start now?" The answer is obvious; you could not procure technicians to put in an aeroplane engine plant in this country to-day and establish and equip that plant in less than four years. I make that statement on the advice of the best aeroplane engine manufacturers in the United States.

Let us be fair, Mr. Chairman. When the war broke out the aeroplane industry in Canada was simply a myth; it was nothing, and we had to start from scratch. I think at that time we had about 1,700 people employed in this industry. To-day we have close to 20,000 employees, each of whom had to be educated in the construction of all-metal rather than fabricated planes. I want to contribute something to this discussion, Mr. Chairman, so I say to you that in peace time, before this war broke out, it took two years, even in England, to produce a 10,000-pound all-metal plane from the time the drawings were completed. We in Canada were confronted with the situation to which I have referred this afternoon—lack of technicians, lack of space

to build planes, lack of machine tools, and lack of precision machines. At the time we entered this war Canada could not possibly produce more than twenty per cent of the precision equipment that was required. Every plant from the Atlantic to the Pacific that was or could be equipped for the production of precision machinery, and that could get technicians or apprentices from the technical schools or elsewhere, is working twenty-four hours a day to my knowledge. Obviously such firms as National Steel Car, Fairchild and others working on all-metal planes can be tied up very easily because of the failure of subcontractors to supply the necessary equipment.

Now I should like to say just a word or two with regard to the statement made this afternoon by the Minister of Labour.

Mr. HANSON (York-Sunbury): Before the hon. member leaves the question of aeroplanes would he be good enough to give the committee his opinion about Federal Aircraft?

Mr. FRASER (Northumberland): I should be delighted to do so, Mr. Chairman, if it were within the scope of my knowledge or capability.

Mr. HANSON (York-Sunbury): All right; we will excuse you.

Mr. FRASER (Northumberland): I am doing my best to cover what I know, not something I do not know.

Mr. HANSON (York-Sunbury): That is a very good answer.

Mr. FRASER (Northumberland): I am being honest with the leader of the opposition. Just for a moment I should like to refer to the letter which was read this afternoon by the Minister of Labour, and at the same time I should like to congratulate him upon the splendid presentation he made in connection with the difficulties with which he is confronted from time to time. I ask my hon. friend from Weyburn, who read into the record a paragraph or two from a letter he received from a certain person—

Mr. DOUGLAS (Weyburn): Not from a letter; I read from a memorandum submitted to the Minister of Labour by the representatives of a certain union.

Mr. FRASER (Northumberland): The representative of a union who was fired for sleeping in a fuselage.

Mr. DOUGLAS (Weyburn): The hon. member stated—

Mr. FRASER (Northumberland): May I proceed, Mr. Chairman?

Mr. DOUGLAS (Weyburn): No; I want the hon. member to correct that statement.

Mr. FRASER (Northumberland): I have the floor and I am going to stick on it until I am finished. I said my hon. friend read from a letter from a member of a union who was fired for sleeping in a fuselage.

Mr. DOUGLAS (Weyburn): I rise to a question of privilege.

Mr. FRASER (Northumberland): I want to make further reference to my hon. friend who is on his feet.

Mr. DOUGLAS (Weyburn): I rise to a question of privilege, to say that I did not read from a letter. If the hon. gentleman will take the trouble to look at *Hansard* he will find that I read from a memorandum.

The CHAIRMAN: The hon. gentleman has already made that statement.

Mr. DOUGLAS (Weyburn): But the hon. member is repeating his former statement, and I insist that he quote from *Hansard* in order to show what I was quoting from, instead of merely making up his story. If his facts in reference to aeroplane production are no better—

Mr. FRASER (Northumberland): I am not in a position where stories matter. I am a realist; I deal with facts. I am not a gold medal debater, nor am I academic.

Mr. DOUGLAS (Weyburn): That is quite apparent.

Mr. FRASER (Northumberland): Now, you listen to me. I do not want to get into an argument with my hon. friend; I want to appeal to him. He knows perfectly well, and if he does not he should, that we have the same conditions among members of labour parties or gangs, as we call them, that we have among the members of any other profession or vocation, including his profession, and even including the House of Commons. I may tell my hon. friend that I have handled labour for the last thirty-five years, and I am proud of the fact that in my employ I have three generations of some families. Just let us be fair, and not take only one side of the question. We are going to have labour problems in Canada, but the employer is going to be fair, and all I ask of my hon. friend is that he be fair also. I am not going into matters of affidavits and so on, but in the organization of an industry that has grown from 1,700 to 20,000 employees who were not previously unionists, where the unions are now walking in and unionizing these men, you

are going to have arguments. I have more faith in Canadian labour than the hon. member for Weyburn seems to have.

Mr. DOUGLAS (Weyburn): Oh, no.

Mr. FRASER (Northumberland): I have more faith and more experience. I can tell my hon. friend that in my thirty-five years of experience I have never had a strike, and that I have always been able to sit down at a desk with labour and figure out any problem man to man. In all kindness I say to my hon. friend: Please, as an hon. member of this house, make up your mind to cooperate. Do not, as the Minister of National Defence said the other day, put a burr under the saddle; cooperate and help the producers of munitions, aeroplanes, tanks and all the other war materials; help these producers, who are striving to do their best, as labour also is striving. Help the producers iron out their problems with labour.

Now I want to go a step further, and I say to my hon. friend in all kindness—

Some hon. MEMBERS: Oh, oh.

Mr. FRASER (Northumberland): Do my remarks confuse hon. members? I was going to say that you do have members of labour organizations who are not always fair. In a plant employing 3,500 or 3,800 men you will have members of a gang who are not fair. No one knows better than my hon. friend, in his profession, that people are not always fair; if that were not so he would not have a profession. We in industry have these problems. Let me go further. If given the opportunity I will be the first to sit down with the hon. member at his desk, give him all the facts, ask for his assistance, and work hand in hand with him in ironing out any difficulties that may crop up between labour and production in Canada's war effort.

I wish to make one or two further observations with regard to aeroplane production. In my opinion the most important chapter in Mr. MacMillan's report on the aeroplane industry—and it is a very fair report—is chapter C, which appears on the last page. It reads as follows:

> After the joint air training scheme and the Royal Canadian Air Force are stocked up, say by the middle of 1941, the annual Canadian demand will drop to something like:
>
> | | |
> |---|---|
> | Primary trainers | 150 |
> | Twin engine trainers | 150 |
> | Single engine trainers | 150 |
> | Fighters of all types | 300 |

I am sorry the Minister of Munitions and Supply is not in his seat; but this House of Commons and the Canadian people, with the prospect of a long war ahead of us, have to decide whether Canada is or is not going to be a factor in the production of aeroplanes. We cannot produce aeroplanes economically unless we design our operations to mass production. Mr. MacMillan very fairly sets that out when he mentions the man-hours necessary in Canada to produce a Bolingbroke. The original order for Bolingbrokes was for 18 planes. That order was finished about a year ago. There were weeks and weeks when no one—I say this advisedly—knew whether there would be sufficient money to go ahead with more planes, or whether conditions in Europe would be such as to demand a greater aeroplane production in Canada. The result was that aeroplane production in Canada has never been able, owing to the business it had ahead of it, to do anything like set up for mass production.

Mr. HANSON (York-Sunbury): That is true; it takes two years.

Mr. FRASER (Northumberland): Yes, it takes two years.

Mr. HANSON (York-Sunbury): Look ahead.

Mr. FRASER (Northumberland): I am glad the leader of the opposition mentions that. The final drawings for the Bolingbroke, which is the bomber being produced in Canada, were received only on February 1, 1939. The whole production of aeroplanes is in a state of evolution. Plans are being changed every day—well, every week, and sometimes every day. The plans for a certain plane being produced in Canada were changed 490 times from the time they left the original drafting board. If in dealing with the aeroplane industry in Canada we consider only the facts with which we are confronted I am quite sure there will be no rash statements about aeroplane production. I say that because every hon. member has the same idea. But we in Caanda must know whether there will be continuity of busines for those companies, whether it be National Steel Car, Fairchild, or any other.

I should like to refer again to the speech of the hon. member for Weyburn. In the quotation he placed on *Hansard* some time ago there was a sentence referring to mass dismissals, and another sentence dealing with tie-ups in plants.

Mr. DOUGLAS (Weyburn): Quote it.

Mr. FRASER (Northumberland): I shall enlarge upon it, and then the hon. member will understand it.

Mr. DOUGLAS (Weyburn): I have no doubt the hon. member would enlarge upon it; but I want to hear the original before he enlarges upon it.

Mr. FRASER (Northumberland): Let us suppose that you have a plant operating with a gang of 3,500 employees, and that you have a promise from subcontractors to supply component parts. Remember, the workers in your plant have been educated in aeroplane production; and in passing it might be well to remember that three years ago there was not one all-metal aeroplane mechanic in Canada—not one. Let us suppose that you have been held up for lack of component parts, although you have been promised day after day by the manufacturer that you would receive those parts. What would you do, Mr. Manager, behind your desk? You would have to decide this: Shall I knock these men off the payroll, and wait for those parts? Shall I take a chance of those men going somewhere else? Or, would you do your best to keep your gang together until the basic parts came in, particularly if you were dealing with rush work?

That is what occurred. It is a common occurrence in every industry. As I said a few minutes ago, every member of a union is not a good one. Every member of a gang is not a good one. Day after day in the modus operandi of industry these processes will go on. You know and I know that members of congregations must necessarily be excommunicated for the good of the whole. There is no argument about it. These are necessary actions.

All I ask, Mr. Chairman, in connection with this discussion on the production of aircraft in Canada is this: Let us deal with the facts.

Mr. HARRIS (Danforth): Is this a congregation?

Mr. McIVOR: I am sure that there are no excommunications from the church to which the hon. member belongs.

Mr. HOMUTH: What church is that?

Mr. FRASER (Northumberland): In conclusion may I make this statement, in all fairness. I have had something to do with aeroplane production in the last eight or nine years. Associated with other aeroplane enthusiasts we have tried to build up an aeroplane industry in Canada, and for that reason I believe I know something about it. I know something, too, about the difficulties respecting cooperation in the aeroplane industry. No one would have gone farther, had he had the authority, than did the Minister of Munitions and Supply to get ahead with the construction of aeroplanes in Canada. The minister, who brought in as his coordinator in the aeroplane industry of Canada Mr. Ralph Bell—who, regardless of what was said about him in a derogatory way, has thrown everything into the production of aeroplanes in Canada—has done a wonderful job. There is no question about it. The very heart and will of these men is in the production of aeroplanes for war. Mr. Ralph Bell ironed out difficulties—inter-departmental difficulties, difficulties which arose and have always arisen when a production programme has had to be dealt with; difficulties which every member in this committee knows perfectly well must be found in any business, including the production of aeroplanes.

That is the situation to-day. Mr. MacMillan has placed on record reasons why there may be more delays. This country had to be transferred from a peace-time economy, without any thought of war, to one in which a war was in progress. I am sorry to say it is my belief that there are still many people in Canada who do not realize the gravity of the crisis with which we are confronted. The fact remains that Canada had to be transformed from a peace-time country, where many people got too much for giving too little—and wanted more—into a country where all the people have to make sacrifices for war.

The manufacturers of aeroplanes in Canada will do their level best. All they ask is cooperation from labour, the representatives of labour and the members of the house. Again I extend to the hon. member for Weyburn an invitation to sit down with me and to discuss anything which he believes might be of mutual interest to both of us in helping to prosecute Canada's war effort.

Mr. CHURCH: Mr. Chairman, it is not often I have the great pleasure of reading and listening to the remarks of the hon. member who has just taken his seat. I might advise some hon. members that it is not always wise to interrupt the worthy admiral of the fleet. He comes from one of the industrial centres of Ontario.

The question of lignite has been raised, but I contend that this matter should be taken up by the provinces. First, it has a great value. This is not the time, however, with a war on, to dislocate business in war industries using coal, as was suggested by the hon. member for Winnipeg South Centre (Mr. Maybank). Furnaces would have to be changed. I have always believed in a national coal policy for Canada and have contended that all coal

should be mined and coked under the British flag, whether it is done in Wales, in the maritimes or in Alberta.

We are now in committee discussing a resolution of the Minister of Finance (Mr. Ilsley). In view of the proceedings at Washington last Friday and Saturday when the lease-lend bill was passed, I thought the minister would have, since then, made a statement as to the policy of the government of Canada with regard to that gesture, not only toward the mother country but toward the dominions, especially Canada.

With all due respect to the minister I think he is placing too many artificial barriers against trade, especially against the small business man. I come from an industrial district and the people there want to know something more about the resolution. As I have said, I contend that about 70 per cent of the appropriation should be charged to capital and 30 per cent to income. The city of Toronto is one of the largest taxpaying cities in the dominion, and I have figured out that it will contribute about $90,000,000 toward these particular annual current expenses of civil government. That city, while paying such a large share of the taxes, is not getting the recognition it should from the government. About three mills of its tax rate are pure federal burden imposed on it, and I hope there will be some adjustment, and an account taken of the city proper.

As far as I can see, there is no intention on the part of hon. gentlemen on this side to offer anything but constructive criticism of the government of the day. The Minister of National Defence (Mr. Ralston) made a splendid speech yesterday and he gave us a lot of information to clear the air. There is no desire on the part of any hon. member on this side to embarrass the government or to offer anything but useful suggestions. It is no disparagement of hon. gentlemen opposite to say that many of those who sit in the government may have been successful in peace-time affairs, but war time offers a totally different situation to deal with.

I know of no rule of the house that would prevent the hon. member for Hastings-Peterborough (Mr. White) from wearing a uniform in this chamber. I am sorry I cannot wear one myself; if I could, I would not be here. In the British house, when the naval, army and air force estimates were being considered, many members who were serving in the forces rose in their places to criticize the government severely. Many of those members were Conservatives; and of all parties they offered constructive criticism and no objection was made. As I say, there is no rule of the house that prohibits a member wearing a uniform in the chamber if he is serving in the forces, or to prevent his criticism of our war effort.

After all is said and done, a member of parliament has a duty to perform during war time as well as in peace. His duty is greater in time of war than it is in peace. As I said the other day, he does not derive his power and his functions from hon. gentlemen opposite or the crown. He has a duty to perform, and he should perform it. He is entitled to give his views as he sees fit. His mature consideration, his unbiased judgment, his criticism of all measures are his duty.

This resolution emphasizes the drain that is being imposed upon our national resources and man-power. It illustrates the awful cost of war. It shows how debts are piling up and gives us some idea of the gravity of the monetary problem that faces this country and that almost appals the people, and the seriousness of the present war situation.

Reference was made yesterday by the hon. member for Danforth (Mr. Harris) to the salvage campaign being conducted by the Minister of National War Services (Mr. Gardiner). The hon. member mentioned the National Council of Women who work hard. I received a letter the other day from the deputy minister, but I would direct the attention of the committee to the fact that last fall the city of Toronto conducted a similar salvage compaign from which was realized a large sum through the street department. There are three other agencies in the scrap and salvage patriotic business in Toronto; one, well organized, being the Poppy Day Fund; another, the Red Cross and the third, the Salvation Army, and others like the Imperial Daughters of the Empire. When I was chairman of the police commission, we received from ten to fifteen applications at each meeting for peddler licences. These peddlers make their living in that way. So there is no dearth of facilities to collect this waste material in all its forms in Toronto, at all events.

I am sorry there was not more activity displayed by the government two or three years ago, or at least since the war started. I moved for a return on January 25 and May 25, 1940, which was brought down on June 5 last, showing the tonnage of pig-iron, scrap iron, nickel and copper exported by Canada to Germany, Russia, Japan and Italy. The totals were appalling. If the government had been alert in the past they would have prevented these things. A number of ships which used to sail the lakes have been broken up, such as the *Chippewa,* the *Syracuse* and the *Rapids Prince.* These boats, when broken up, were sold for scrap; they were taken to lake Erie ports in

United States and broken up, and afterwards some of the material was exported to enemy countries. We were too late again.

The government seems to be too late in connection with everything it undertakes. We are always told what will happen in the future. We are being told all the time by minister after minister of what is to be done in 1942 and 1943. It may be too late then, notwithstanding what the Minister of National Defence said yesterday. Help may come to Britain too late. A year ago we were depending upon France to hold out, and the Maginot line to last, but we know now the futility of that. Promises were made that they would hold the fort and the line until Great Britain got an army together or until the dominions came up with support. We are being told what is being done by the government, or what they only hope to do, in the way of mobilizing man-power, food power, munitions and everything else next year and the year after. We are relying upon the United States and I hope that the failure of France will not be repeated.

Yesterday the minister referred to the question of transportation for soldiers. During the last war the railways voluntarily carried soldiers for single fares over the week-end. I do not believe half the people of this country will agree with the statement of the Minister of National Defence in connection with soldier fares. It is ridiculous to think that men who have enlisted even unto death should have to pay fares. In the last war, as I said, the railways voluntarily carried men for single fare on week-ends. Now they carry them every day at half rate. The Railway Act does not at present provide for any special concessions to soldiers during the war, nor has the board of transport commissioners power to order any. In view of the fact that so many camps are far away from railways and the distribution of troops for training spread all over Canada, it is desirable to give soldiers some form of free transportation because a large number have been killed on highways thumbing a ride in many places in Canada while in training.

I have a return, No. 167, which shows that fifty-four soldiers have been killed on the highways. The figures are as follows:

Military district	Soldiers killed
No. 1	6
No. 2	19
No. 3	7
No. 4	7
No. 5	0
No. 6	6
No. 7	0
No. 10	2
No. 11	5
No. 12	1
No. 13	1
	54

14873—94

An awful state of affairs.

I presented last December to the transport commission cases of discrimination by the railways against soldiers. You will see examples of it in excursion notices which appear in all the railway stations. In some cases the railways are charging soldiers more than one-third the rate they charge civilians to travel from towns and cities in the maritimes to central Canada. I brought this discrimination before the transport commission, but they declined to act. It was their duty under the Railway Act to find out if there was discrimination. But did they do anything about it? No. I have received a petition from some soldiers in camps in the maritimes complaining of this discrimination, and I wrote the transport commission, but they did nothing about it. They did not stop Lindbergh from getting a life pass on the Canadian National Railways. Imagine a country that has wasted as much money as Canada has on the railways not being able to afford to pay the fares of its soldiers who are fighting to the death in our defence!

The Duff report, at page 45, shows that a total of 555,298 railway passes were issued on the Canadian National and Canadian Pacific railways away back in 1930; 288,000 on the Canadian National and 266,000 on the Canadian Pacific, and the commission recommended that there be an investigation into that. They said:

> We are of the opinion that where the statute imposes an obligation upon the railways to provide free transportation . . . the state should bear the cost of the service involved. It is also suggested that the discretionary power in the matter of free transportation at present vested by law in the board of railway commissioners be reviewed. The Interstate Commerce Commission of the United States is permitted no such discretionary power.

Some of the military camps are so far away that it is almost impossible for a soldier to get home; his return home is practically prohibited unless he be given railway transportation. I saw the stream of motor cars last Thanksgiving coming in from Barrie and the people hitch-hiking along the road. There is no law except the Ontario Highways Act prohibiting civilians from hitch-hiking, and it is never enforced. Why are soldiers prohibited from hitch-hiking? Why this discrimination? By whose authority were they forbidden to hitch-hike? When free transportation is provided by the government for the soldiers, it will be time enough for the defence department to make hitch-hiking a military offence.

Mr. RALSTON: Would my hon. friend permit me? I do not know whether he got the return or not, but as I understand it, hitch-hiking, so-called, or soliciting rides, is

prohibited by the Ontario Highways Act. All that the Department of National Defence did was to send out a circular calling attention to that section and instructing that military personnel should comply.

Mr. CHURCH: I referred to the highways act. I do not wish to have any argument with the hon. gentleman because he will have ample opportunity to reply. Everybody in Ottawa seems to be afflicted with the virus of the disease of following the line of least resistance in everything, known as the parliamentarian's religion; and that includes the transport commission too. When I presented a case before the commission of discrimination between the railway rates paid by civilians and the rates offered to soldiers the commission refused to act, although under the law it is its duty to act of its own volition. They seem to be afflicted with that same disease.

Why should the soldiers have to thumb their way home when they are offering their lives for this country? Several hundred thousand passes are issued free by the two railways of this country, and the transport commission illegally say they are privileged. I say they are not privileged. By no law or statute or usage can the transport commission show that these passes are privileged and not subject to being produced and laid on the table of the house. Again I ask the minister, why should not our soldiers who are offering their lives for us travel free the same as these others? Why instruct the military pickets at Camp Borden to board these trains at week-ends, as they did last summer, to see if the soldiers have return tickets, and all that kind of thing? Necessity knows no law.

I have a clipping here from the *Globe and Mail* which says:

> Soldiers hitch-hiking to and from Camp Borden are thumbing their way because of their own preference for this mode of travel and not because adequate transportation facilities have not been arranged for them by the military authorities, it was declared at headquarters of military district No. 2 yesterday.

Notwithstanding what the minister has said I should like to find out who authorized the military authorities to make hitch-hiking a military offence, and I would ask whether soldiers who have enlisted for the country's defence have no civil rights. Do they lose their rights as private citizens because they enlist? If civilians can hitch-hike, why not soldiers?

The census shows that fifty per cent of our people are engaged in farming and kindred pursuits, and are exempt from serving in the army. Many farmers' sons in Ontario do not want exemption from military service and never claimed it in the great war. What has the minister done about conscientious objectors? They are not enlisting either. Certain exemptions were provided under the Militia Act and under the Army Act, and the result of it all is that about one-third of the eligible male population of Ontario is about all that is going to serve in this war under the Mobilization Act.

I challenge the right of any military officer to make hitch-hiking a military offence without the consent of the high court of parliament. You cannot show me a law or a statute that enables a military officer to do it.

I notice, Mr. Chairman, that it is almost six o'clock.

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

Thursday, March 13, 1941.

The house met at three o'clock.

SPECIAL COMMITTEES

WAR EXPENDITURES—FIRST REPORT

Mr. J. T. THORSON (Selkirk) presented the first report of the special committee on war expenditures, as follows:

Your committee recommends:

1. That it be empowered to appoint subcommittees and to refer to such subcommittees as it may appoint from time to time any of the matters referred to the committee, and that any subcommittee so appointed have power to send for persons, papers and records, and to examine witnesses; to sit while the house is sitting; and to report from time to time to the committee.

2. That it be given permission to sit while the house is sitting.

3. That eight members of the committee constitute a quorum and that standing order 65 (3) be suspended in relation thereto.

4. That the committee have power to fix the quorum of the subcommittees it may deem expedient to appoint from time to time.

5. That the committee be empowered to print, as it may determine from time to time, five hundred copies in English and two hundred copies in French of its minutes of proceedings and evidence and that standing order 64 be suspended in relation thereto.

Your committee, realizing the desirability of securing the utmost cooperation from all members of the house, has authorized its chairman to address a letter to each member of the house requesting suggestions as to any subject matter that might usefully be inquired into by the committee.

WAR PENSIONS—CONCURRENCE IN SECOND REPORT

Hon. CYRUS MACMILLAN (Queens) moved that the second report of the special committee on the Pension Act and the War

Veterans Allowance Act, presented to the house on Tuesday, March 11, 1941, be concurred in.

Motion agreed to.

PRIVILEGE—Mr. ROY

On the orders of the day:

Mr. J. SASSEVILLE ROY (Gaspé): Mr. Speaker, I rise to a question of privilege. Certain newspapers, more particularly *L'Action Catholique* of Quebec, have misinterpreted the statements I made in this house in my speech of March 10th.

On that occasion I declared myself totally and categorically opposed to the establishment of a union or national government, or its equivalent.

Mr. GAUTHIER: It did not appear so.

Mr. ROY: I repeat that I am opposed to the establishment of any form of national or union government, no matter where the proposal may come from, as I stated quite clearly in my speech.

Mr. GAUTHIER: It did not appear so.

HOUSE OF COMMONS

CLASSIFICATION OF CERTAIN POSITIONS FOR PERMANENT APPOINTMENTS

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

That the report of the civil service commission classifying certain positions to which employees on the temporary staff of the House of Commons are to be appointed on a permanent basis, laid on the table of the house on March 5, 1941, be now approved.

Hon. R. B. HANSON (Leader of the Opposition): When the report was laid on the table I gave some study to it, not with a view of criticizing it but in order to have one paragraph clarified. I had a very pleasant interview with the clerk of the house and I understood that one paragraph, I think near the end of the report, was to be redrafted so as to make certain things clear which otherwise might be open to misinterpretation. I have not heard that that has been done. If this is the same report that was first brought down I should like to be reassured on this point, namely, that the paragraph to which I refer has been clarified.

Mr. MACKENZIE KING: I am informed that the matter has been clarified in accordance with the wishes of my hon. friend and that the report as now presented meets with his approval.

Mr. HANSON (York-Sunbury): I did not see it. Could it stand until to-morrow, until I look at it?

Mr. MACKENZIE KING: Yes.

Mr. SPEAKER: Stand.

Mr. HANSON (York-Sunbury): In justice to the clerk I wish to say that I find he communicated with my office, and in the pressure of work the matter was not brought to my attention. There has just been a little slip there.

Motion stands.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

POSTMASTERS

Mr. BENCE:

1. Does the Post Office Department retire all postmasters at the age of seventy?
2. Are any postmasters given extension?
3. If so, how many postmasters, now in the service, are over the age of seventy years?

Mr. MULOCK:

1. (a) Staff Post Offices: Postmasters paid from parliamentary appropriation are retired at the age of 65 except in special circumstances where postmasters may be retained up to the age of 70. This is in accordance with order in council P.C. 1/1561 approved the 31st July, 1933, and order in council P.C. 23/2388, dated the 23rd November, 1933.

(b) Revenue Post Offices: In the case of revenue post offices where postmasters are paid out of revenue, consideration is given to the retirement of such postmasters who are of advanced age as cases come before the department.

2. (a) Staff Post Offices: Occasionally granted beyond 65 years of age but not beyond 70.

(b) Revenue Post Offices: Extensions in those cases which have been brought to the attention of the department are granted beyond 70 only where there are special or extenuating circumstances.

3. (a) Staff Post Offices: None.

(b) Revenue Post Offices: There are approximately 1,000 revenue postmasters over 70 who are still in the service.

MAPLE SUGAR PRODUCTS

Mr. LACOMBE:

1. What was the total value of maple sugar products produced in Canada in the years 1938, 1939 and 1940?
2. What was the value of exports of maple sugar products in the same years to (a) the United States; (b) the United Kingdom?

Mr. MacKINNON (Edmonton West):

1. Gross farm value of maple products in Canada, 1938 to 1940.

	Maple sugar	Maple syrup	Total
1938.....	$370,500	$3,479,400	$3,849,900
1939.....	420,700	3,023,200	3,443,900
1940.....	530,000	3,679,300	4,209,300

2. Canadian exports of maple products to the United Kingdom and United States during the years 1938 to 1940.

	Maple syrup		Maple sugar	
	United Kingdom	United States	United Kingdom	United States
1938....	$7,826	$ 10,465	$3,587	$1,190,766
1939....	7,653	236,269	4,294	1,193,411
1940....	4,072	444,341	1,451	432,044

WAR REVENUE TAX—COOPERATIVE AGRICULTURAL SOCIETIES

Mr. ROY:

1. How are reserves and working capital of agricultural societies, as well as the cash surpluses of cooperative agricultural societies affected by the war revenue tax?
2. Will the government consider the advisability of exempting such societies from this taxation?

Mr. GIBSON: The question in its present form is too indefinite to permit of an answer being given. I would suggest that the hon. member amend his question, specifying the tax to which he refers, and giving particulars as to the societies referred to. As it stands the question is too indefinite for me to answer.

Mr. SPEAKER: Dropped.

Mr. HANSON (York-Sunbury): Let it stand and he will amend it.

Mr. SPEAKER: Dropped.

ROYAL CANADIAN MOUNTED POLICE—OFFICES IN QUEBEC CITY

Mr. ROY:

1. Did the Royal Canadian Mounted Police have offices at No. 596 St. Jean street, Quebec, before April 1, 1940, and since 1937?
2. If so, who was the owner and what was the monthly or annual rental?
3. Has the Royal Canadian Mounted Police paid any money for rental purposes at Quebec, or any cash whatever?
4. If so, what sums were paid to whom and for what?

Mr. LAPOINTE (Quebec East):

(1) Yes.

(2) The owner was Mr. Louis-Philippe Picard, of 220 Grande Allée, Quebec City, P.Q., and the monthly rental was $200 until the 8th of March, 1940, when Mr. Louis-Philippe Picard sold the property to Mr. Joseph N. Roy, 271 St. Peter St., Quebec City; notice of the deed of sale was duly served on the R.C.M. Police on the same day; said deed of sale made the same monthly rental of $200 payable to Mr. Joseph N. Roy from the 1st of March, 1940. The building was rented anew from Mr. Joseph N. Roy from the 1st of April, 1940, the same monthly rental of $200 being paid to Mr. Roy.

(3) Answered by the above.

(4) Answered by the above.

BAIE DES SABLES, QUE., WHARF

Mr. ROY:

1. From whom and upon what terms did the government purchase lumber required on the construction of the wharf at Baie des Sables, Matane county? Was the sum of $14,332.50, representing 50 per cent of the value of the lumber, paid? If so, to whom?
2. What quantity of lumber was purchased?
3. What was the total amount paid for this lumber, less the amount so allowed?

Mr. HOWE:

1. (a) From Bertrand & Brother; (b) At actual cost to contractors; (c) Yes; (d) Bertrand & Brother.

2. 739,110 f.b.m. 10″ x 10″ B.C. fir at $42.00 per M..	$31,042.62
11,456 f.b.m. 4″ to 9″ wide spruce deals at $26.50 per M..	303.58
19,000 f.b.m. 10″ x 10″ spruce at $40.00 per M..	760.00
22,656 f.b.m. 4″ diameter x 7′ to 15′ long spruce at $27.00 per M..	611.71
5 spruce piles, 12″ diameter 17′ long, at $4.00 each.. ..	20.00
	$32,737.91

3. $18,405.41.

WAR SERVICES—DOLLAR-A-YEAR MEN

Mr. NICHOLSON:

1. Did the Department of National War Services ask for volunteers to serve in the department on the basis of one dollar a year?
2. If so, who are engaged on this basis in the said department?

Mr. GARDINER:

1. No.
2. See No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MUNITIONS AND SUPPLY—CONTRACTS AWARDED IN BRITISH COLUMBIA

Mr. HANSON (Skeena):

What was the total amount of contracts awarded in British Columbia, by the Department of Munitions and Supply, since January 1, 1939, to date, as follows: (a) seaplane bases, including purchase of property; (b) airplane

bases, including purchase of property; (c) shipbuilding and repairs; (d) shells and ammunition of all kinds; (e) tools and accessories; (f) minerals and mineral products; (g) lumber and forest products; (h) provisions of all kinds, including canned and fresh fish; (i) shoes and clothing, and (j) any other contracts?

MUNITIONS AND SUPPLY—TURNER VALLEY CRUDE OIL

Mr. HOBLITZELL:

1. Is the Department of Munitions and Supply satisfied that the maximum production of crude oil is being made available from Turner valley and elsewhere in western Canada to all the refineries of western Canada?
2. If not, what steps have the department taken to see that the maximum production of crude oil in western Canada is being used in the refineries there?
3. Why is it necessary to import crude oil into the provinces of Alberta, Saskatchewan and Manitoba when there is an abundant supply in Turner valley or in storage?
4. What quantities of crude oil were imported into western Canada: (a) for months of February, March, April, May and June, 1940; (b) for months of July, August, September, October, November and December, 1940?

SHIPBUILDING

REQUEST FOR TABLING OF FURTHER REPORT OF MR. MACMILLAN

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): At page 1371 of *Hansard* for March 10, 1941, when the hon. member for Vancouver South (Mr. Green) was discussing the MacMillan report, which appears in *Votes and Proceedings* of February 27 in relation to shipbuilding, the Minister of Munitions and Supply (Mr. Howe) made this statement:

I wish Mr. MacMillan would be a little more consistent, because I have a report on my desk from him to-day declaring that labour cannot be found to operate the shipyards to anything like capacity.

This statement indicates clearly that Mr. MacMillan made a second report to the minister, which was delivered to him on March 10. Will the minister lay that second report on the table of the house?

Hon. C. D. HOWE (Minister of Munitions and Supply): Under the rules of the house a report by one of my officers is privileged, and I do not intend to make a practice of laying Mr. MacMillan's reports on the table of the house.

BUSINESS OF THE HOUSE

WHEAT POLICY AND IMPLEMENTING LEGISLATION —WAR APPROPRIATION BILL

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): In view of the very important statements made yesterday by the Minister of Trade and Commerce (Mr. MacKinnon) and the Minister of Agriculture (Mr. Gardiner), will the government give the house an early opportunity of discussing this all-important question of the general policy of marketing our wheat crop, I would suggest not later than Monday next? Also, while I am on my feet, I would ask the Minister of Trade and Commerce and the Minister of Agriculture whether any legislation will be introduced to carry into effect the policy announced yesterday, and when we may expect such legislation.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Speaking for the government I would say that we regard the war appropriation bill as the most important measure to be brought before the house, and we intend to continue with a consideration of that measure until it is passed, after which other legislation will be taken up. As to whether or not there will be legislation based upon the statements made yesterday, as my hon. friend knows the intention of the government in these matters will be made known when the legislation itself is brought down.

I should like to make clear to my hon. friend and to other members of the house that the government naturally is anxious as far as possible to oblige hon. members with respect to the order of proceedings, as well as all else; but I should like the house to know why the government is anxious to dispose of this war appropriation measure as quickly as possible. I do not think I need say anything other than to remind hon. members of the situation with which the world may be faced at any moment. I would point out that the ministers who are particularly concerned with the war appropriation measure are the ones who are most responsible for the measures to be taken at a time of war, and that all of them are obliged to be continuously in the house while this measure is under discussion. The ministers include the Minister of National Defence, the Minister of National Defence for Air, the Minister of National Defence for Naval Services, the Minister of Munitions and Supply, the Minister of Finance and the Minister of National War Services. All these hon. gentlemen head departments which are immediately concerned with matters pertaining to the war, and except for the forenoon, when they are also obliged for part of the morning to attend meetings of the cabinet, they have no opportunity to discuss matters with their own officials. Moreover, they are all members of the war committee of the cabinet and are obliged to give their time to its proceedings as well.

The purpose of the government to continue the discussion on this measure until it is completed, without having discussion upon any other measure intervene, is actuated by our belief that the debate will conclude more quickly if we do not interrupt it to bring in other subjects for discussion, but rather continue the present discussion until the measure is passed. Then the members of the government I have mentioned will enjoy a little more freedom, and will be able to give the attention which is very necessary at this time to various matters in the departments with which they are immediately concerned.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I desire to make an observation with respect to the statement just made by the Prime Minister. It is apparent, I think, that the war appropriation measure is the most important measure on the agenda for this session. But may I point out to the Prime Minister and to the house that this measure is for the succeeding fiscal year. We have been told by the Minister of Finance that supplementary appropriations will have to be made for the current fiscal year. I am astonished that that was not brought in before this measure was introduced.

There can be no immediate need for the passage of this resolution and the bill to be based on it, because in any event it would not be available until after the first of April. May I point out to the Prime Minister that a suggestion was made to one of his colleagues that if the government would facilitate the discussion on agriculture it would have the probable effect of facilitating the passage of this resolution. I am advised that that offer was rejected. I think that is quite apparent, because the action of the minister has been to insist upon the passage of this resolution. I suggest to the Prime Minister and to members of the government, and ask them to take the suggestion into consideration, that if they will facilitate the discussion of the important matter of agriculture they will go a long way toward forwarding their own position with respect to this war appropriation resolution.

We cannot compel that. We ask it, as a matter of public convenience to members on this side of the house, as well as members on the other side of the house. There is not the pressing necessity for the passage of this war appropriation resolution that there was at the last session. It will be recalled that at the last session the resolution covering $700,000,000 was passed with little or no discussion. We did everything we could to facilitate it. That could not happen again, having regard to public opinion in this country. We would be derelict in our duty if we did not investigate the manner in which the money has been expended under that bill, and the moneys that are to be spent under this resolution. I suggest to the ministry that this is a world of give and take. We have facilitated the government's war measures on every occasion. We have arrived at the position now where the government say the opposition has no rights in this house.

Mr. MACKENZIE KING: The leader of the opposition has missed altogether the purport of my remarks. It is not a question of when the money will be needed under this appropriation measure. That is not the question with which the government is concerned at this time. What we are concerned with is that the house enable the ministers of defence, the Minister of Finance and others I have mentioned, and who are obliged to be here while this measure is being discussed, to reach as soon as possible a point where their minds may be free of the measure, and where they can devote their time to other very pressing matters.

We have been discussing this measure for a couple of weeks. To break the discussion at this point, have a debate on agriculture and then return to this debate would mean that in all probability we would have the same series of questions asked over again as are being asked in the present debate.

Mr. HANSON (York-Sunbury): I do not think so.

Mr. MACKENZIE KING: It must be apparent that the members of the government I have mentioned have very exacting duties in their departments, and they naturally wish to be as free as they possibly can to give their time to those very pressing matters just as soon as possible.

My hon. friend the leader of the opposition says, if I correctly understood the significance of his words, that unless we do this he is not going to do that. If that is the position he takes, then I can only say that the government must the more carefully consider its responsibility of deciding the order in which the business of the house is to be conducted. If under that responsibility we feel it necessary to get the measure through as soon as we possibly can, and my hon. friend is going to obstruct this measure, which is the most important—

Mr. HANSON (York-Sunbury): Oh, now, that is quite unnecessary.

Mr. MACKENZIE KING: —then he and his friends must take the responsibility for the obstruction which they make.

Mr. HANSON (York-Sunbury): I object to the term "obstruction".

Mr. HOMUTH: So does everybody else.

Mr. MACKENZIE KING: I leave it to the house itself to say whether the word I have used was or was not fair. I am not saying the hon. member is obstructing. We will judge the significance of his words by the action of himself and his followers in connection with the measure itself.

But what I would wish to point out to my hon. friend is this, that I do not believe he has any right, any more than I have, to seek to control actual discussion in this house on any matter. And when he says that he will undertake—

Mr. HANSON (York-Sunbury): The Prime Minister has already taken that right.

Mr. MACKENZIE KING: When he undertakes to say that the debate on agriculture is going to be restricted, I hope he has the authority of hon. members of the Cooperative Commonwealth Federation and the Social Credit groups—

Mr. COLDWELL: No.

Mr. MACKENZIE KING: —to say that they are prepared to restrict the time to be given to that discussion. Unless he is in a position to speak for the whole house, then what he has said now is wholly devoid of merit.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, certainly there has been no consultation with the group I represent in regard to this matter. But I should like to say this, if I may, while I am on my feet, that I believe to a large extent the government itself is responsible for this situation. Had the debate been organized in a different manner the ministers might have been relieved of constant attendance in this chamber. Had we had a break-down of the amounts of moneys to be appropriated, by departments, and gone into the amounts by departments, all the ministers would not have found it necessary to remain here continuously.

Let me say that in these days I sympathize with the ministers; I think it is just too bad that they have to sit in this chamber—all of them—each afternoon. I suggest that the Prime Minister again consider the system followed in the British House of Commons, that of having under-secretaries who may take the places of the ministers in dealing with matters such as these.

Mr. MACKENZIE KING: May I say to my hon. friend that I do not believe the house would be satisfied with answers from under-secretaries with respect to questions in connection with this measure. May I say further to him that from the point of view of the minister's time, and the giving of information to the house which the house wishes to have in an authoritative way, the minister is in a much better position to do this himself than he would be by trying to indicate to another member of the house what he should say in reply to the different questions which may be asked.

Mr. COLDWELL: Then the debate, I submit, ought to be organized in a different manner—if I may make that suggestion.

Hon. J. L. RALSTON (Minister of National Defence): With respect to what has been said as to the organization of the debate, may I point this out to the house. When the Minister of Finance introduced the resolution, immediately speeches started on aircraft production and continued for about a week and a half. In fact, the Minister of National War Services fairly had to force himself into the debate in order to make a statement as to the activities of his department. I had about the same thing the other day, in response to the speech made by the hon. member for Hastings-Peterborough. It was not a matter of organization at all. It has been a matter of the ministers having come on as rapidly as they could. And then, even after the statement from my department had been made, there was a reversion to the matter of aircraft production. I suggest that the members of the committee themselves are the ones responsible for the course the debate has taken.

Mr. KARL K. HOMUTH (Waterloo South): In view of what the Prime Minister has just said, may I ask him if it would not be possible, when ministers rise in the committee to explain the activities of their departments, to break down the expenditures which have been allotted to them in the appropriation bill? Only yesterday the Minister of Labour spoke; there is an amount here of over $4,000,000 for the Department of Labour, yet not one explanation was given the house as to why that money is needed. Certainly when ministers rise in their places they ought to give us a break-down showing what the moneys are wanted for.

Mr. MACKENZIE KING: I am afraid I cannot answer my hon. friend's question as to what each individual minister will do. I have no doubt that all my colleagues will be anxious to oblige both the hon. gentleman who has just spoken and other hon. gentlemen.

Mr. HOMUTH: Why not do it voluntarily?

Hon. J. L. ILSLEY (Minister of Finance): I want to add just a word about the matter

of the introduction of a supplementary to the appropriation bill. The leader of the opposition said he was very much surprised that it had not been introduced before this. The amount to be asked for in the bill will be substantial, and the nearer to the end of the fiscal year the bill is introduced, the more accurate the amount will be. It is for that reason that the introduction of the supplementary war appropriation bill for the current fiscal year is being left until we have disposed of this bill.

Mr. HANSON (York-Sunbury): I should like to direct the attention of the Prime Minister to a statement with respect to this matter which he made on Wednesday, February 26. We had been discussing the war appropriation measure, and at the end of the day I asked what would be the business for the day following, that is Thursday, February 27. The Prime Minister said:

> To-morrow Mr. Speaker leaves the chair without question put on going into committee of supply, so we will take up supply, I hope at an early stage in the proceedings, the supply being that of the Minister of Justice and later that of the Minister of Agriculture.
>
> Mr. Hanson (York-Sunbury): Will we not go on with this discussion to-morrow?
>
> Mr. Mackenzie King: No, I think we have had enough of this for a short time.
>
> Mr. Hanson (York-Sunbury): I thought this was very urgent.
>
> Mr. Mackenzie King: Well, perhaps it is less urgent than it was.

Mr. MACKENZIE KING: Yes. May I say to my hon. friend that I gathered from conversation with him that there would not be a disposition to prolong unduly the discussion on the war appropriation measure. My hon. friend speaks of what I said on February 26, but this is March 13 and from that date until to-day we have been dealing exclusively with this war appropriation measure, which had also been discussed some time ago.

Mr. HANSON (York-Sunbury): We have been in supply.

Mr. MACKENZIE KING: There has been very little supply. A day or two ago I asked the house if it would permit us to go into supply for a few minutes in order to call items in one or two departments so as to enable some other ministers to take up supply on Thursday or Friday and relieve my colleagues who are engaged on war duties for those days. What was the attitude of the opposition to that request? It was to move a motion on going into supply in the nature of an amendment. An amendment to the motion to go into supply is in the nature of a vote of want of confidence in the government. That would certainly occasion a prolonged debate. What my hon. friend the leader of the opposition is asking us to do is to set aside an important war measure and allow the opposition to say that it has no confidence in the administration, to introduce a vote of want of confidence motion in the house at this time. When it comes to a matter of precedence, I need scarcely say we are not going to give precedence to any measure that has to do with want of confidence in the administration.

WAR APPROPRIATION BILL

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

The house resumed from Wednesday, March 12, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war.—Mr. Ilsley—Mr. Vien in the chair.

Hon. J. L. ILSLEY (Minister of Finance): On March 10, I placed on *Hansard,* page 1363, a statement of the estimated war expenditures by departments for the fiscal year 1940-41, with actual expenditures to January 31, 1941. On March 7, I placed on *Hansard,* page 1352, a statement of the estimates for the year 1941-42, by departments, the amounts being those submitted to January 31, 1941. That statement was later corrected and appears on *Hansard* at page 1362.

Two or three nights ago the leader of the opposition asked me to give break-downs, first, of the estimates for the year 1941-42 and, second, of the actual expenditures to January 31, 1941.

Mr. HANSON (York-Sunbury): As far up as it can be given.

Mr. ILSLEY: What I propose to do to-day is, first, to place upon *Hansard* a break-down of the estimates for the year 1941-42 by departments and services, with the exception of the three defence departments and the departments headed by my colleagues, the Minister of National War Services and Agriculture, and the Minister of Munitions and

Supply. After I have finished, these ministers will themselves place on *Hansard* the breakdowns for their departments. I have not had an opportunity of consulting with my colleagues, but I believe they will wish this done. Their estimates are short and I can give to the committee the figures they have given to me, but perhaps hon. members would like to question these ministers about their estimates, and they would be able to answer questions which I do not think I could do. I think it would make it more convenient for everyone if I covered all departments except the defence departments and the two others I have mentioned.

Mr. HANSON (York-Sunbury): It is understood that we shall have some time to study them.

Mr. ILSLEY: In connection with the breakdown I am giving all I can, and I think the leader of the opposition will find that it is adequate. Is it desired that I read this statement?

Mr. HANSON (York-Sunbury): I do not think it is necessary, unless the committee wants it.

Mr. ILSLEY: If the committee does not insist on its being read, I shall simply place it on *Hansard*.

Mr. HANSON (York-Sunbury): That would save a lot of time.

Mr. ILSLEY: The total is $23,814,511. To that there will be added the amounts to be given to the committee by the other ministers.

Mr. HANSON (York-Sunbury): Is that for the coming year?

Mr. ILSLEY: That is for the coming year.

Mr. HANSON (York-Sunbury): For the non-war departments.

Mr. ILSLEY: With the exception of what will be given by my colleague the Minister of National War Services and Agriculture. He is in charge of two departments and there is no reason why I should give one part of his figures and not the other, although part might be considered non-war. The term "non-war" is not quite correct. Certain matters may not be concerned directly with fighting, but they are concerned indirectly with the war. These amounts are proper charges against the vote provided by the war appropriation bill This is the statement:

War Appropriation

Estimates for 1941-42 by departments and services

Auditor General's Office—		
Auditing and checking war accounts		$ 72,000 00
Civil Service Commission—		
Supply of personnel for war services		126,822 50
External Affairs—		
Administrative and passport offices	$ 198,000 00	
Representation abroad	25,000 00	
Evacuation of staff	5,000 00	
Evacuation of offices	5,000 00	
Greenland—supplies and maintenance	5,500 00	
Miscellaneous—to cover items not specified in 1941-42	50,000 00	
		288,500 00
Finance—		
Comptroller of the Treasury	$ 1,967,212 50	
Royal Canadian Mint	67,300 00	
		2,034,512 50
Fisheries—		
Marketing of canned lobster	$ 600,000 00	
Wartime Fisheries Advisory Committee	3,000 00	
		603,000 00
Justice—		
Expenses in connection with the Prize Court	$ 50,000 00	
Expenses in connection with administration of the Defence of Canada Regulations	25,000 00	
Administration	4,260 00	
		79,260 00

War Appropriation—*Continued*

Estimates for 1941-42 by departments and services—*Continued*

Labour—		
Expenses in connection with the Wartime Prices and Trade Board	$ 298,704 00	
National Labour Supply Council	32,000 00	
Assistance to necessitous dependents of persons detained under the Defence of Canada Regulations	150,000 00	
Cost of living commission, district 18 United Mine Workers of America	6,000 00	
Payments to provinces on account of each trainee completing a course in aircraft mechanics or aircraft wireless operations who enlists in the R.C.A.F. or completes a course in wireless operations and enlists in any of the Empire Forces	480,000 00	
Payments to provinces for the training of individuals for skilled or semi-skilled occupations connected with war work	3,885,000 00	
Expenses of inter-departmental committee on labour co-ordination.	26,700 00	
		$ 4,878,404 00
Mines and Resources—		
Mines and Geology Branch—		
Enforcement of wartime regulations governing the sale of explosives	$ 17,120 00	
Lands, Parks and Forests Branch—		
Internment operations	25,350 00	
Forest products laboratories	24,150 00	
Immigration Branch—		
Expenses re British evacuee children	244,800 00	
For expenditures in connection with looking after Canadian interests in Germany and German-controlled territories	150,000 00	
For expenditures in connection with looking after Canadian interests abroad, apart from Germany or German-controlled territories	25,000 00	
Detention of alien seamen who refuse to perform their regular duties	147,000 00	
General expenditures in Canada and the British Isles	23,825 00	
		657,245 00
National Revenue—		
To provide for censorship of newspapers and other publications		5,600 00
Pensions and National Health—		
Treatment and pension examinations, members and ex-members, defence forces (present war)	$ 2,500,000 00	
Treatment—R.C.M.P.	120,000 00	
Pensions—defence forces, fishermen and seamen	500,000 00	
Air raid precautions	250,000 00	
Investigations—Dependents' Allowance Board	60,000 00	
Inspection of industrial plants	10,000 00	
Treatment of Canadian fishermen and seamen	5,000 00	
Laboratory of hygiene—bacteriological and biological—assistance to Department of National Defence	15,000 00	
Public health engineering—inspection of camps and airports re sanitation and water supply	10,000 00	
Food and drugs—examination of supplies for Department of National Defence	5,000 00	
Quarantine service	40,000 00	
Hire of boats—Halifax harbour	14,400 00	
Committee on demobilization	20,000 00	
Veterans' welfare division	112,500 00	
Processing, storage and distribution of blood for transfusion	140,000 00	
Immigration medical inspection overseas division—evacuation from England	3,000 00	
		3,804,900 00
Post Office—		
Postal censorship	$ 343,835 00	
Canadian postal corps	151,250 00	
		495,085 00
Privy Council Office—		
Registrar of orders in council		6,380 00

War Appropriation—*Concluded*

Estimates for 1941-42 by departments and services—*Concluded*

Public Works—			
Chief Architect's Branch—			
Ottawa—Jackson building taxes		$ 33,000 00	
Toronto—completion of city delivery building		200,000 00	
Furniture, etc., for new employees		500,000 00	
Repairs, alterations, operation and maintenance of new buildings		500,000 00	
Rental of new premises		400,000 00	
New construction		2,000,000 00	
Chief Engineer's Branch—			
Champlain dry dock—hoisting equipment, additional operating cost		113,000 00	
Lorne dry dock—additional operating cost		9,500 00	
Esquimalt dry dock—additional operating cost		27,600 00	
New construction and dredging		300,000 00	
Contingencies (telephone service and unforeseen)		100,000 00	
			$ 4,183,100 00
Prime Minister's Office—			
Additional expenditure due to the war			11,500 00
Royal Canadian Mounted Police—			
Increased activities of the force due to the war			4,045,690 55
Secretary of State—			
Internment operations		$ 102,879 00	
Voluntary service registration bureau		9,800 00	
Press censorship		98,455 00	
Department generally		10,000 00	
Commission—re naturalization certificates		10,000 00	
			231,134 00
Trade and Commerce—			
The Canadian Shipping Board		$ 30,000 00	
National Research Council		278,015 00	
			308,015 00
Transport—			
Departmental administration		$ 6,292 00	
Transport Controller's Office		60,000 00	
Air service—radio broadcasting censorship	$ 25,000 00		
Special radio interception and monitoring services, weather observation and teletype services and extra airport control systems	587,420 00		
		612,420 00	
Canals Service—			
Welland canals—utilization of surplus water in the production of electricity	$ 50,000 00		
Canals generally—fencing, floodlighting, etc., as protection against sabotage	20,000 00		
		70,000 00	
Marine Service—			
Marine service steamers—including ice breakers	$ 25,000 00		
Aids to navigation	50,000 00		
Nautical Services—Advisory boards and ship licensing committee	27,650 00		
To provide payment of compensation to ships' crews for loss of personal effects due to enemy action	10,000 00		
Administration of pilotage—additional cost of operation and maintenance of pilotage vessel at Father Point	27,000 00		
		139,650 00	
			888,362 00
Government owned enterprises—			
Loan to Canadian Government Merchant Marine, Limited		$ 100,000 00	
National Harbours Board		995,000 00	
			1,095,000 00
Total of items to be dealt with by the Minister of Finance			$23,814,511 00

The second statement I have gives the actual war expenditures to January 31, 1941. These amounts are not accurate to the dollar. Some of them were estimated in the latter part of January and the odd figures are not given. But I think they are quite close to the proper amounts.

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

Mr. ILSLEY: These are the amounts I obtained from the comptroller of the treasury up to January 31, 1941. The statement follows:

Actual War Expenditures to January 31st, 1941

Auditor General's Office		$ 36,000 00
Chief Electoral Officer		5,000 00
Civil Service Commission		79,000 00
External Affairs—		
1. Departmental administration, passport office and office of the Prime Minister	$ 123,000 00	
2. Repatriation of members of crews of requisitioned French merchant vessels	78,000 00	
3. Representation abroad	7,000 00	
4. Expenses re Permanent Joint Board on Defence	2,000 00	
5. Expenses in connection with evacuation of offices	4,000 00	
6. Sundry	4,000 00	
		218,000 00
Finance—		
Comptroller of the Treasury, Dependents' Allowance Office and outside establishments	$ 1,128,000 00	
Royal Canadian Mint	83,000 00	
Dominion-Provincial Conference	7,000 00	
		1,218,000 00
Fisheries—		
Canned Lobster Control		158,000 00
Justice—		
Prize Court	$ 10,000 00	
Defence of Canada Regulations	11,000 00	
War Measures Act	3,000 00	
		24,000 00
Labour—		
Wartime Prices and Trade Board	$ 125,000 00	
Assistance to dependents of detained persons	22,000 00	
Payments to the provinces for enlisted trainees under Youth Training Act	116,000 00	
Industrial training for war work	368,000 00	
Sundry	14,000 00	
		645,000 00
Mines and Resources—		
Government of the Northwest Territories—Greenland expedition	$ 27,000 00	
Dominion forest service—internment operations	13,000 00	
British evacuee children	37,000 00	
Relief of distressed Canadians in Germany, etc.	111,000 00	
Relief of distressed Canadians not resident in Germany	3,000 00	
Detention of alien seamen	8,000 00	
Sundries	8,000 00	
		207,000 00
National Harbours Board—		
Saint John—dredging—Courtenay Bay		200,000 00
National Research Council—		
Scientific and technical work	$ 261,000 00	
Additional facilities—new annex laboratories	41,000 00	
		302,000 00
National Revenue—		
Censorship of publications		4,000 00

Actual War Expenditures to January 31st, 1941—*Concluded*

Pensions and National Health—		
Treatment—members and ex-members defence forces	$ 1,462,000 00	
Treatment—Royal Canadian Mounted Police	56,000 00	
Pensions—defence forces	118,000 00	
Air raid precautions	107,000 00	
Investigations—dependents' allowances	15,000 00	
Additional hospital accommodation	473,000 00	
Connaught laboratories	10,000 00	
Quarantine service	11,000 00	
Laboratory of hygiene	5,000 00	
Hire of boat—Halifax	10,000 00	
Sundries	13,000 00	
		$ 2,280,000 00
Post Office—		
Postal censorship	$ 121,000 00	
Base and field post offices	34,000 00	
		155,000 00
Privy Council—		
Office of the registrar of orders in council		4,000 00
Public Works—		
Halifax, N.S.—Ordnance depot	$ 91,000 00	
Montreal—Craig St., drill hall	104,000 00	
Rock Island, Que.—Armoury	7,000 00	
London, Ont.—Westminster Hospital	185,000 00	
Ottawa, Ont.—Temporary buildings	410,000 00	
Ottawa, Ont.—Temporary buildings—No. 3	277,000 00	
Ottawa, Ont.—Temporary buildings—National registration	91,000 00	
Ottawa, Ont.—On purchase of Jackson Building	760,000 00	
Vancouver, B.C.—Hospital for Pensions and National Health	434,000 00	
Furniture, etc., for new employees	417,000 00	
Repairs, alterations, etc., of buildings	322,000 00	
Rental of new premises	262,000 00	
Halifax, N.S.—H.M.C. Dockyard	66,000 00	
Sydney, N.S.—Harrington wharf—Site	4,000 00	
Sydney, N.S.—Harrington wharf—Repairs	9,000 00	
Sydney, N.S.—New warehouse	44,000 00	
Saint John, N.B.—Partridge Island	37,000 00	
Quebec, Que.—Champlain graving dock	35,000 00	
Midland, Ont.—Dredging	1,000 00	
Esquimalt, B.C.—Graving dock	191,000 00	
Contingencies	52,000 00	
		3,799,000 00
Royal Canadian Mounted Police—		
Land services—incidental to the war		2,023,000 00
Secretary of State—		
Internment operations	$ 57,000 00	
Voluntary Service Registration Bureau	6,000 00	
Press censorship	58,000 00	
Department generally—War Measures Act	1,000 00	
Commission *re* revocation of naturalization certificates	1,000 00	
		123,000 00
Trade and Commerce—		
Canadian Shipping Board		18,000 00
Transport—		
Air Service—		
Meteorological	$ 66,000 00	
Radio monitoring and interception	150,000 00	
Extra airport control systems	89,000 00	
Canals Service—		
Welland canals	1,000 00	
Canals generally	14,000 00	
St. Lawrence ship canal	1,000 00	
Marine Service—		
Marine service steamers	15,000 00	
Nautical service—temporary employees and sundries	10,000 00	
Aids to navigation—gas buoy, etc	58,000 00	
To pay war claims of ships crews, etc	1,000 00	
St. Lawrence ship channel operations and maintenance	35,000 00	
Pilotage—repairs, etc., to C.G.S. *Jalobert*	23,000 00	
Miscellaneous—		
Departmental administration	4,000 00	
Office of the transport controller	30,000 00	
Canadian Broadcasting Corporation radio censorship	7,000 00	
		504,000 00
Total of items to be dealt with by the Minister of Finance		$12,002,000 00

Mr. HANSON (York-Sunbury): The figures the minister is now placing on the record do not include the commitments for the balance of the present fiscal year?

Mr. ILSLEY: No. The estimated total expenditure on war for the present fiscal year is $875,000,000. These figures amount to $536,000,000. I want to make it clear, when we talk about expenditures, that this $536,000,000 is expenditure actually made—that is, the money has actually been paid out.

Mr. HANSON (York-Sunbury): It is payments?

Mr. ILSLEY: Payments, yes. I find to my surprise that "expenditures" is an ambiguous term. Some officials in the service consider expenditures as payments not yet made. But I mean that the actual payments up to the end of January, 1941, are about $536,000,000.

I think perhaps now the other ministers can speak for their departments. The Minister of National Defence pretty well covered his the other day so I do not think it is necessary for me to say anything more, but if the leader of the opposition finds when he looks at *Hansard* that there is something more he requires, we will get it for him.

Mr. HANSON (York-Sunbury): That is fair enough.

Mr. ILSLEY: Perhaps the other ministers will now speak in turn.

Hon. C. G. POWER (Minister of National Defence for Air): Mr. Chairman, with respect to air, the estimate of money to be expended in 1941-42, that is the total amount to be asked for, is $421,136,185. But from that must be deducted $35,000,000, representing payments to be made under the joint air training plan by Australia and New Zealand, which brings the total estimate to $386,136,185. In addition there is a supplementary of $483,163, making a total estimate of $386,619,348. These figures are broken down as follows: overseas, $15,838,916; home war, $154,683,960; joint empire training plan, $250,613,309.

I have here in two different columns the expenditures made up to January 31, 1941, on each one of these accounts.

Mr. HANSON (York-Sunbury): That is the second category?

Mr. POWER: No, the expenditures under these same three headings—overseas, home war, and joint air training plan. In the words of my colleague the Minister of Finance, this is money actually paid out by cheque, money actually gone. That is shown in one column, and another column shows the amount which we expect will actually be paid before the 31st of March, 1941.

Mr. HANSON (York-Sunbury): That is not the payments, but the commitments?

Mr. POWER: It is not quite commitments; I make a distinction which the Minister of Finance perhaps will not agree with. I do not call it expenditure when the money is actually paid. That is payment, not expenditure. I call it expenditure when we have ordered the stuff and it is delivered. I call it commitments when material has been ordered to be paid for at a future date and it is not yet delivered. I make three categories. Will the leader of the opposition agree with me?

Mr. HANSON (York-Sunbury): I would not do it that way myself, but I understand it.

Mr. POWER: So there are payments, expenditures and commitments. Up to the 31st of January last, that is payments gone. Up to the 31st of March, all of this it is expected will be paid before March 31. Commitments are another thing altogether. They come into the next year's estimate. The expenditure up to January 31, 1941 for overseas is $772,496; for home war, $40,415,363; for joint air training plan, $97,833,758, a total of $139,021,617. We have received from our partners in the air training plan during that time $11,540,161, making a total outgo of payments of $127,481,456, which covers up to January 31.

Between January 31 and March 31, 1941, we expect to make payments to an amount as follows for overseas, and this is in addition to the $772,496 which I gave as having been spent up to January 31. We expect to spend, before March 31, $7,001,470, making a total expenditure for the fiscal year 1940-41 of $7,773,966. For home war, in addition to the $40,415,363 spent to January 31, we expect to spend $24,551,142, making a total for home war of $64,966,505 up to March 31. On the joint training plan, in addition to the $97,833,758 spent to January 31, we expect to spend $53,911,614, making a total for the year of $151,745,372.

The total expenditure in the three categories up to March 31, 1941, is $224,485,843, from which is to be deducted $26,800,000 which we shall receive, making a total final expenditure for the Department of National Defence for Air for the year 1940-41 of $197,685,843.

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Chairman, I should like to place on the record the break-down, as it is called, of the naval estimates for the coming fiscal year. The total amount to be asked for naval services as announced by the Minister of Finance is $169,640,304. That amount is made up of about fifteen main items which I shall now give to the committee:

War Appropriation—Naval Services
Breakdown, by Objects of Expenditure

Class of Expenditure	Estimates for year 1941-42
Salaries and wages	$ 1,317,210
Pay and allowances	33,609,000
Travel and transport	33,609,000
Operating expenses	400,000
Acquisition and construction of vessels	56,017,000
Repair and upkeep of vessels	4,902,700
Charter of vessels	699,141
Preparation of plans	100,000
Construction and repair of buildings	19,846,837
Allowance in lieu of stores	1,719,600
Victualling stores	7,821,003
Naval stores	14,284,818
Armament stores	14,549,000
Fuel	7,846,930
Miscellaneous stores	687,550
Printing and stationery	681,060
Harbour defences	1,840,294
Purchase and rent of buildings and lands	414,361
Sundries	1,547,800
Total	$169,640,304

Mr. HANSON (York-Sunbury): On the item of harbour defences, would the minister explain just what that is? I do not understand that that would come under his department.

Mr. MACDONALD (Kingston City): Without particularizing, it deals with such things as anti-submarine nets.

Mr. ILSLEY: Actual expenditures.

Mr. HANSON (York-Sunbury): No, that is the estimate for next year.

Mr. MACDONALD (Kingston City): Unfortunately the officials preparing this, in their endeavour to bring it up to date so far as possible, began to work out the actual expenditures to the end of February. I understand it would have been sufficient if we had got the expenditures to the end of January, but, with only twelve days since the end of the month, the work was naturally a little more difficult. However, I will place the figures on *Hansard*. The break-down of expenditures is as follows:

War Appropriation—Naval Services
Breakdown, by Objects of Expenditure

Class of expenditure	Expenditure to Jan. 31/41
Salaries and wages	$ 573,934
Pay and allowances	5,860,057
Travel and transport	473,742
Operating expenses	144,685
Acquisition and construction of vessels	28,525,293
Repair and upkeep of vessels	2,778,028
Charter of vessels	168,982
Preparation of plans	50,605
Construction and repair of buildings	3,198,082
Allowances in lieu of stores	300,186
Victualling stores	2,811,960
Naval stores	2,752,476
Armament stores	1,015,163
Fuel	605,092
Miscellaneous stores	340,253
Printing and stationery	205,581
Harbour defences	1,677,378
Purchase and rent of buildings and lands	144,799
Naval equipment division	31,748
Sundries	99,956
Various advance accounts	2,350,197
Various suspense accounts	4,157,803
	$58,266,000

Hon. C. D. HOWE (Minister of Munitions and Supply): Before submitting the estimates of my department, perhaps I should explain to the committee how they are made up.

As hon. members know, the Department of Munitions and Supply is the purchasing branch for the three service departments. We may receive an order for, we will say, a submarine net. We do not in our estimates provide the money to install that submarine net, but when the order is placed the appropriation is transferred by the department that has made provision for the net; in other words a financial encumbrance is raised to provide for the payment which we incur in arranging for the construction of the net.

Similarly with regard to an airport. We make the survey for the airport, and a recommendation; that is, we submit the facts. The choice is made by the Department of National Defence for Air, and if one site is approved we then receive a letter of instructions to proceed with the building of an airport, and we also receive a financial encumbrance which will provide the money to pay for the airport.

Similarly, if we have a cable from Great Britain to purchase an order of Bren guns, the British treasury here is instructed to issue cheques in payment as the guns are

delivered. Therefore we do not include in our own estimates any item to pay for purchases of that nature.

Mr. HANSON (York-Sunbury): That is, for requisitions?

Mr. HOWE: For requisitions, yes.

Mr. HANSON (York-Sunbury): That is the right principle.

Mr. HOWE: We do, however, provide certain sums for establishing facilities to produce the purchases required by the service departments. In other words, if it is necessary to build and equip a factory to supply a service department, in many cases, in fact in most cases, we go to the treasury direct for the capital sum involved in establishing that facility. Similarly, if a factory is built and requires working capital, we go to the treasury for an accountable advance in the nature of working capital, in effect a loan from the treasury and repayable as the operation proceeds.

With that explanation, I may say that our estimates for the fiscal year 1941-42 are as follows:

Administration of the department—salaries and operating expenses	$ 2,300,000
Capital assistance to government-operated companies	37,534,000
Capital assistance to private contractors	103,813,000

As regards direct expenditures, that is for items purchased direct by the department—mainly cloth, I think—we have made it a habit, in order to coordinate the manufacture of uniforms by enabling the mills to operate at full capacity, to buy cloth by direct expenditure from the department, and we do not recover that outlay by financial encumbrances from the Department of National Defence.

Mr. HANSON (York-Sunbury): The cost of the cloth for uniforms has not been included in the army, the navy and the air expenditures? The minister says they pay for the cloth of which he is now speaking. Is that item not included in the cost of the army, under the Minister of National Defence, the cost of the navy, under the Minister of National Defence for Naval Services, and the cost of the air force, under the Minister of National Defence for Air? Is that in addition to what they have given us here as the break-up?

Mr. HOWE: No. I was wrong there. The army, the navy and the air force give us financial encumbrances for the full cost of the uniforms, but we do buy supplies, such as cloth, in advance of any financial encumbrance, and so keep the mills running for a certain time. When they are set up to make a certain type of cloth, we keep them running on that cloth in anticipation of future orders. That is what is meant by direct payments in this case. As a matter of fact we purchase other things than cloth.

Mr. HANSON (York-Sunbury): But you are ultimately reimbursed for those moneys?

Mr. HOWE: The treasury is, yes. There is no way of getting it back into our estimates: if we spend the money it does not come back into our estimates.

Mr. HANSON (York-Sunbury): I want to know if there is duplication in this matter.

Mr. HOWE: Well, there is. I have pointed out, and I think the Minister of Finance agrees with me, that there is bound to be a great deal of duplication. It arises in several ways. The Department of Munitions and Supply will raise a financial encumbrance on what they think is a reasonable price for a gun. After we build the facility, have the plant in operation, it is very probable we will produce that gun for a good deal less than its current market price. For that reason there is probably a duplication; in other words if we had not built the plant we would have paid more for the gun and the full amount of the appropriation would have been required. Because we built the plant we get the gun cheaper, therefore the cost of the plant is amortized in the lower cost of the material.

The Minister of Finance and I have talked this matter over. I have expressed the opinion to him, and I think he more or less agrees, that perhaps fifty per cent of this estimate is a duplication—well, he does not think it is as much as that; nevertheless we must have certain funds at our disposal to meet current expenditures, and in most cases our expenditure for capital account reduces the drain for the purchase of supplies.

I will place on *Hansard* the complete statement of which I have already given a portion:

	Estimated cash requirements—fiscal year 1940-41	Expenditure to January 31	Expenditure to February 28	Estimated to March 31
Administration	$ 2,300,000	$ 1,529,000	$ 1,727,165	$ 2,300,000
Capital assistance to G.O. companies	37,534,000	16,703,000	22,218,268	28,218,000
Capital assistance to private contractors	103,813,000	42,297,000	53,979,453	65,979,000
Direct expenditures	3,300,000	647,000	814,793	1,814,000
Total	$146,947,000	$ 61,176,000	$ 78,739,679	$ 98,311,000

Notes: Column 1 represents an estimate made up in October, 1940, based on information supplied by contractors and companies, and it is evident they over-estimated requirements for the different projects for this year.

(b) Column 2 represents figures submitted to the House of Commons by the Hon. Mr. Ilsley, having been submitted to him by the Comptroller of the Treasury.

(c) Column 3 is the total of expenditures submitted to us to date of 28/2/41 by Mr. A. V. Franklin, Chief Treasury Officer.

(d) Column 4 represents our estimates as to the amounts that will be paid out up to 31st March, 1941, but we have no way of submitting this with any degree of accuracy. It should be mentioned that on 27th January last we advised treasury board that we anticipated our cash payments would be $119,820,849 for the current year, but it is obvious that we will not put out this amount.

Mr. HANSON (York-Sunbury): That totals only $146,947,000. The estimate is $180,000,000.

Mr. HOWE: That is the estimated requirement for the current fiscal year. The actual expenditure to January 31 was $61,176,000 and to February 28, $78,739,000; and the estimated expenditure to March 31 is $98,311,000. These are the draft estimates for 1941-42 for the Department of Munitions and Supply:

Capital assistance to private companies	$ 71,083,421 49
Capital assistance to government-owned companies	29,376,000 00
Direct expenditures by the government through the Department of Munitions and Supply	16,290,000 00
Dominion arsenals—Lindsay and Quebec	16,560,000 00
Administration expenses	3,500,000 00
Working capital in connection with production (Canadian production)	41,049,000 00
Working capital in connection with aircraft production	2,600,000 00
	$180,458,421 49

A list of projects covered by these items was placed on *Hansard* by myself two or three weeks ago.

Hon. J. G. GARDINER (Minister of Agriculture): I placed on *Hansard* some days ago the break-down for the Department of National War Services. I now have break-down of the expenditures for the Department of Agriculture this year out of this appropriation. The total is $3,498,773.70. The items are as follows:

War appropriation, 1940-41
Department of Agriculture
Expenditures, April 1, 1940, to January 31, 1941

	Actual expenditure
Disposal of Canadian apples, 1939 crop	$1,503,108 89
Disposal of British Columbia apples, 1940 crop	616,450 17
Disposal of Nova Scotia apples, 1940 crop	1,172,820 79
Advertising of apples	49,704 40
Purchase, storage and distribution of fibre flax seed	77,687 34
Bacon Board, administration	33,618 38
Dairy Products Board, administration	5,434 08
Soenens turbine scutchers	6,525 00
Purchase seed potatoes	9,818 37
Agricultural Supplies Board, administration	23,576 28
Root vegetable seeds	30 00
	$3,498,773 70

The estimates for the Department of Agriculture are as follows:

War Appropriation Estimates, 1941-42
Department of Agriculture

Agricultural supplies board—	
Administration	$ 31,000
Programmes to encourage production of essential war supplies	100,000
Purchase, storage and distribution of agricultural supplies	1,000,000
	$1,131,000
Commodity boards	50,000
Bacon board	71,300
Dairy products board	14,950
To provide assistance in disposal of agricultural products rendered surplus by war	6,610,300
	$7,877,550

Mr. RALSTON: The committee will remember that what I gave was an attempt to indicate by functions, as they call it in my department, the various items; that is, how much for overseas, how much for Canada and so on, having regard to the particular duties to be performed. I have here a tabulation made up in another way, under what they call objects of expenditure—that is, the aggregate amount estimated for travelling expenses, for clothing, etc., for all the formations and activities; the whole estimated expenditure by the army for each of the items shown. This might be useful to the committee. Some of my colleagues have been giving statements in that form. The committee will remember that the total amount of the break-down applicable to army services was some $666,000,000, as stated by my colleague the Minister of Finance. That amount is made up, in the estimates which have been made by the officers of my department, as follows:

Department of National Defence
Estimates 1941-42
Army Services

War appropriation—Summary of estimate by objects of expenditure

Salaries and wages—civilian personnel	$ 2,330,000
Travel and transportation	40,607,906
Operating expenses of properties	31,314,830
Mechanical and water transport, including upkeep	21,246,843
Supplies—food, forage; medical and dental stores and services	46,705,213
Construction and repairs	15,549,170
Ordnance stores	247,277,741
Pay and allowances—all ranks	253,029,972
Printing and stationery	5,338,854
Sundries — Telephones, telegrams, postage and other miscellaneous expenses not specially detailed	3,024,130
Training equipment not provided elsewhere	150,000
	$666,574,659

I wish to emphasize again what I said before with regard to the whole item, that these are the best estimates my officers have been able to put forward, having regard to the possibilities which can be foreseen. Of course not only the total but also the allotments among the various items may be changed considerably as the year goes by, depending on exigencies.

Mr. HANSON (York-Sunbury): The minister said the other day it was on an if, as and when basis, and we understand that.

Mr. RALSTON: Yes.

Mr. HANSON (York-Sunbury): Has the minister completed his statement?

Mr. RALSTON: Yes.

[Mr. Gardiner.]

Mr. HANSON (York-Sunbury): Before the minister retires from the scene I should like him to bring down and place on *Hansard* as soon as convenient a statement, in as much detail as possible and under suitable headings, with respect to the Debert military camp, giving: (a) total payments made, to as late a date as possible; (b) commitments made but not paid up to the same date, and (c) probable expenditures to complete, and also the same information with respect to the airport at Debert. On February 21 the minister gave an estimate of five and a half million dollars—

Mr. RALSTON: That was not the airport.

Mr. HANSON (York-Sunbury): No; the minister misunderstood me. I have asked for these details with respect to the military camp under three different classifications: payments, commitments and probable expenditures, and I have asked for the same information with relation to the airport. Then I was going on to say that on February 21, as reported at page 906 of *Hansard*, the minister said:

. . . from the information I get the Debert camp may cost $5,500,000.

The minister made it quite clear that this figure did not include the airport. On the same page the Minister of National Defence for Air is reported as stating:

The estimated sum required for the buildings at Debert is $829,517. I have not the figure in connection with the runways, but I would say they would cost probably another $150,000 or $200,000.

On those figures the total cost of the airport will be in excess of a million dollars, and the total cost at Debert will exceed six and a half million dollars. I should like to have the figures with respect to the camp itself and those with respect to the airport, under suitable headings, if the minister will be good enough to give them.

Mr. RALSTON: I have had in my desk for some time information on that point. I think I can give it to my hon friend readily in the form he desires, either to-night or to-morrow.

Mr. HANSON (York-Sunbury): Very good. I am not asking for it immediately.

Mr. RALSTON: It must be remembered that the figure of $5,500,000 was not even an estimate; it was given in response to the hon. member for Cumberland. I think I intimated to the hon. member that I could try to make a guess, which I hoped would be an intelligent one, and I think the amount is about right, excluding the land. I understand that there have been taken on land options amounting so far to something like $75,000. There are

forty-seven lots on which options have been taken, and it is possible that, in all, the land may amount to $200,000; that is, apart from the airport.

Mr. McNIVEN: The Minister of National Defence quoted the figure of $253,000,000 for pay and allowances. Has he a break-down of that figure by provinces or by military districts?

Mr. RALSTON: I think that is one of the break-downs I could give by districts. I believe the payrolls are made up by districts, and I shall be glad to get that information.

Mr. McNIVEN: Would the minister be able to give that break-down for the fiscal year 1940-41?

Mr. RALSTON: I think so.

Mr. CHURCH: We have heard a great deal about break-downs this afternoon. I am afraid that Britain is going to break down unless we act before it is too late. Let us think about Britain a little more. If she is waiting for Canada to act she will break down. Let us not forget that the whole future of the human race depends upon the battle being fought in Britain now, and we sit here carrying on in this way, with long government statements issued almost every day of the week. I fear for the health of the ministers with all these break-downs. I believe there is a large body of public opinion in this country that is not altogether satisfied with the war policy we are pursuing here, not only the policy of the government but also at times that of the opposition, the alternative government, because as I have said in the past the opposition is also responsible for what goes on in this house, unless it fulfils its functions, as our constitution provides.

I would refer to what happened on July 12 last. Many of us in this house celebrate March 17 and July 12 as the days of two patron saints. Last year we were told that the National Resources Mobilization Act would not be considered on July 12 while we were away, and over fifty soldier members went to Quebec for the week-end. But in the absence of many hon. members the measure was taken up and passed on a Friday, in a very short time. That is how the cumbersome mobilization act came in.

The most important thing in this country to-day is man-power, but as I said a year ago, it is almost as hard for a man to get into the army, the navy or the air force, as it is to get into the exclusive Rideau club. Recruiting is on again, off again and on again, but here we sit hearing essays by ministers, break-downs and all that sort of thing. There have been break-downs all along the line, and we have been too late in everything. Here we have a total of fifty-four men killed on the highways on account of the lack of free fares, because of the break-down of our railway systems, on which this country has spent hundreds of millions of dollars.

I said yesterday I intended to make only one speech while we are in committee on this matter, and I will conclude in a very few minutes what I have to say to-day. When I mentioned the situation at Camp Borden last week, I had reference to the last war, to 1917. I admitted that a great many improvements had been made at Borden, but I said I still did not agree with the general camp policy of the government, and this one as a winter camp. But neither then nor at any other time have I cast any reflections on any of the overworked officials or heads of these camps, or members of the cabinet. I realize that they are a government of Canadians in Canada and that it is our duty to cooperate with them to the best of our ability, as long as they are the government, if they get on with the war.

Just here I should like to pay tribute to the permanent officials of the government. I have had a great deal of experience in many spheres of activity, and since coming here in 1921 I have found that the success of any public enterprise and of federal administration depends very largely upon the courteous, able, painstaking, loyal, sincere but overworked public officials, who do their duty splendidly here, and often have to work long hours of overtime. During this war some of them have passed on unwept, unhonoured and unsung, and I wish to pay tribute to the great work being done by these splendid public officials.

Here we have estimates amounting to $1,460,000,000, yet we cannot find a quarter of a million dollars to provide free railway transportation for the soldiers. Here we are proposing to spend $4,000,000 a day on the war, and surely we should be able to devote two and a half hours of that cost, or over $400,000 to this objective of free fares. These boys are risking all; they may be sent to Europe or to Greenland's icy mountains, or as members of the R.C.A.F. they may be killed over Britain or over Berlin. Some of them will never come back, and we have a duty to perform on their behalf. Private members, as well as members of the government have their duties to perform. The only consolation a public man can have, in my view—and I have been in public life a long time—is the comfort in his own conscience that he has done his duty as he saw it to be. I do not want any thanks. As long as I have been a member of parliament I have endeavoured to do my duty, and in doing so I

have tried never to offend anyone knowingly. Since I have been a member of the House of Commons I have stood for the principles and maintenance of liberties, and I shall continue to do so for the time in the future I may happen to be here.

To-day we are facing the greatest war in the history of the world. I support in this war and the last the cause of those patriots, the private soldiers and men in all ranks, who are doing their duty for their country in this conflict. While I wear the party uniform, I will never wear its plush. I will do my duty in the ranks, but it will as in the past be as a volunteer, not as a conscript. In the past, prior to this war, I have had many differences of opinion with leaders regarding imperial and foreign affairs and defence policies. I am an imperialist. It was said that I was the only one in the house, because I believed that the future freedom, liberty and welfare of the world was in the hands of Great Britain, and depended upon the mother county, on those two little islands on the edge of Europe. The struggle for freedom, liberty and civilization has been made by them, and by them almost alone since France failed, save for the dominions and Greece. Up to this time they have paid on a cash-and-carry basis for all the munitions they have received.

Last year we were dependent upon that glorious country, France, which in the first great war did so much for civilization and freedom. We depended to a great extent upon that great nation and upon the patriotism of the people of France in that war and this. It was with deep regret to the people of the world that France went under. A year ago we were depending upon France to hold the Maginot line until Britain got an army and munitions, and until the dominions could give support with their armies and food and munitions. We found that poor France depended upon us against the dictators in vain. Help did not come in time, through no fault of the mother country. Neither country was ready for war owing to disarmament.

Out on the Pacific coast we are depending upon the United States to protect our western seaboard. We rejoice that they are with us, but I hope their help will not come too late. I have grave doubts about it myself. I fear help is not coming quickly enough. I do not believe the people of Canada realize the gravity of the situation, or know to whom this country will belong at the end of 1941. They do not seem to realize that when the war started we had no army, no navy and no air force. We were back to where we were in 1812, a condition of complete dependence upon the mother country for all the freedom of civilization and defence and protection we enjoy.

[Mr. Church.]

I should like to make three or four further observations on the subject I was discussing last night at the adjournment. I notice the responsible minister is in his seat to-day, and I am glad to see him because of an editorial which appeared in this morning's *Globe and Mail*. It is headed, "Help the Soldier Hiker", and states:

> But the soldier's uniform is his credential. He is in the king's service; offering his life if necessary for a cause. Military regulations are rigid. Discipline must be maintained. The man who enlists voluntarily in the defence of his country knows all this and soon becomes imbued with the esprit de corps that makes army life a happy memory. Such men do not want to thumb their way along the roads; and they should not fall under the suspicion with which habitual civilian hitch-hikers are regarded.

Then there is an appeal to the citizens to give these men a lift. That is all well and good, and is a good omen.

I may say, however, that on August 6 last I received from the Minister of National Defence a letter in which he uttered the same sentiments. He had a great deal of sympathy for the forces, and replied to me in part in this way in a letter dated August 6:

> It occurs to me that in connection with both of these matters there is scope for the activities of our many citizens who want to help in connection with war work, either by means of radio appeals to citizens who are out motoring to give a lift to men in uniform or by means of some arrangement for providing motors at camps or headquarters at certain times, the transportation being in charge of, perhaps, some of our service organizations.
>
> I think myself that this is a worthwhile suggestion, and that it might well be taken up by our citizens if it were brought to their attention. I know that people are most anxious to help and all they want is suggestion and direction.

I believe if the minister were good enough to let this matter go before the special committee, a programme might be worked out. The railways are making a great deal of money out of the war. This programme would involve only a small item of expenditure, and I believe the public who would have to make the payments would be prepared to do so.

Last October 12 to 15, which was the Thanksgiving week-end, I was on the highways. As a result of the condition which obtained at that time, the following editorial appeared on October 15 in the *Evening Telegram* of Toronto:

> Motorists travelling south from Barrie and Allandale last Friday and Saturday regretted that Premier King and his ministers could not see the hundreds of soldiers on leave from Camp Borden for the Thanksgiving week-end lining the highway and thumbing their way to their homes in Toronto and elsewhere. The sight of these boys who have volunteered to fight for their country begging rides might

have awakened the most stolid cabinet member from his complacency and convinced him of the necessity for providing decent, safe and free transportation for soldiers to the larger centres of population.

Even though soldiers can now travel round trip at single trip rates, the railway and bus fares are still beyond the purse of men who are earning only $1.30 a day and assigning part of it to their families. Between Toronto and Barrie the round trip fare for a soldier is $1.95. It is no cheaper for him travelling one way. Consequently he thumbs his way.

This is a cruel situation which might be rectified by a little generosity on the part of the government and some cooperation by the railways who must have idle railway coaches suitable for the short journeys between the military camps and the main transportation transfer points. From these latter the soldiers might be given transportation on the regular schedule trains. Whatever the costs arising from such arrangements they would be infinitesimal in comparison with the enormous expenditures which are now being assumed by the country.

The men in khaki have as good a right to free transportation on the railways as the thousands of other people who daily ride "dead head" on the trains. The government should give renewed consideration to this question of free transportation for soldiers on leave, not forgetting that the trains are operated anyway, most of them only one-third or one-half full. Railway passes for the soldiers would be an indication that their country appreciates the sacrifices which they are making for it.

I shall conclude what I have to say on this point by reading a telegram I received from Petawawa camp. I do not know why the soldiers write to me, because I do not know as many of them as I used to. Many members from Ontario, travelling on the trains from Ottawa to Toronto, two-thirds of whom are government supporters, have an opportunity to speak to soldiers who have been at the Petawawa camp. At the time of the great war an artillery camp was established at that point. It has always been my contention that a camp at Petawawa should not be operative in the winter months.

Here is the telegram which was sent to me yesterday, and which I shall be pleased to send to the minister:

Small group Petawawa troops arrested for false railway tickets being used for furloughs and leave. Canadian Pacific Railway pressing charges but only using few soldiers out of hundreds in camp as sole blame same being unfair owing to large scale of sources issuing tickets. Though investigation should strengthen your proposal of free transportation for troops and soldiers. Friend we are in dire need of legal assistance and advice. Can you represent us or assist. Answer collect.

I might say that I sent a return message saying that I was not in a position to appear for them. During the first great war, as the head of the greatest soldier city in Canada, I did appear for them on many occasions. That is the city to which even to-day they are coming from points as far away as Quebec and sometimes from the west and the maritime provinces to enlist and recruit soldiers and take them out of Toronto. They sent recruits to all parts of this dominion; yet when they asked the minister a year ago to set out the list of Toronto recruits, he could not do it. I wrote asking the number of men enlisted in Toronto, but, no, I could not get that information; it was not listed. I suggest that the department ought to have a proper index filing system which would show the soldier contribution from every municipality in Canada.

In the last war, when the Conservative government was in power, wounded soldiers were arriving in Toronto, and there was a scarcity of hospital accommodation for them or homes to go to. In the dark fall of 1917, during October and November, several hundred soldiers died of the awful flu epidemic, I remember several from Winnipeg and the west who died. I remember one who had been secretary to the late Sir George Bury, who joined the air force. The pool then was at the Jesse Ketchum school in Toronto. Where a man could join the Royal Air Force and be out of the pool in three or four days, now it takes one, two, three or four months as the case may be, at manning pool. This man arrived on Wednesday and he was dead in a week from the flu epidemic.

Having seen this lack of hospital accommodation, I insisted upon a coroner's inquest into this matter and into other cases. This was held and it showed that the government of the day had not made any arrangements for proper or adequate hospitalization. The suggestion was made that the old base hospital on Gerrard street, Toronto, the old Toronto general hospital, should be used. This was closed as not considered fit for civilians, but they wanted to turn the key in the door and open it up for soldiers. As a result of that inquest the government spent a large sum of money in providing proper hospitals in every military district. I use this as an illustration of what coroners' inquests can do to get action.

I urge the same thing in connection with soldier fares and this Petawawa case. I believe we should do this. I appealed to the attorney general of the province, Mr. Conant, to provide these young men with counsel so that the evidence might be brought out and we might have all the facts, but the attorney general replied that he could not do it because it was only done in capital cases. I suppose they all follow the parliamentarians'

religion of following the line of least resistance. I understand that these men are first offenders. It costs a soldier at Petawawa almost two weeks' pay to buy his fare and berth and meals to make a trip home to Toronto and back. I plead with the minister to consider this matter. He has been very sympathetic as I discovered when I first went to see him at his office on his first day as Minister of National Defence. He treated me most courteously. I urge him to have this matter taken up by the select committee which is to consider these expenditures. I believe they could arrive at a reasonable settlement of the question.

Another matter I wish to mention is in connection with guarding city property. I know the Minister of Munitions and Supply will appreciate the problem. Unless we have continuous current and power, these war industries will not be able to work full shifts and production will not be carried on. I believe the government of the day should pay for guarding public property, the same as was done in the last war. They should assume the responsibility of guarding federal, provincial and municipal property. The government is now assuming the responsibility of guarding the power plants at Niagara and other provincial properties and the same thing should be done for the municipalities.

We had a good example of what might happen with the storm of last Tuesday. This storm struck the industrial centres in central Ontario and many power plants were forced temporarily to shut down. For a time elevators were stopped, street-cars could not run and many other activities were shut down for a time because of the storm. The same thing could happen from other causes. The municipalities are not responsible for the war, nor is it their duty to maintain armed forces. In 1940 it cost the city of Toronto $325,000 to guard power plants and other public property. The government has agreed to protect provincial property, so why not municipal property? The municipalities have no more right to pay for the guarding of public property than they have to pay the militia for the defence of Canada. Under the British North America Act matters concerning militia and defence are exclusively within federal jurisdiction. There is no necessity for the government to act the part of what judges and lawyers refer to as dead-beats so far as the municipalities are concerned, in paying for guards to protect power plants which supply current to munition plants.

If these power plants are shut down; if power fails, even for a few hours, it will be impossible to turn out munitions. Why do the government not adopt the same principle for the municipalities as they have adopted in connection with the provinces? During the last war the munition plants of Ontario at one time turned out fifty-five per cent of the shells, owing to cheap hydro power, yet the dominion most unjustly and unpatriotically made the hydro pay over $1,500,000 in customs duties on factory and generator equipment for the building of the Chippawa plant, which took three years to build. To supply power for munitions, Ottawa should do its duty. At least some part of this appropriation should be spent in protecting these public plants. That would be far better than spending $378,000 upon our legations the world over, and $125,000 upon the League of Nations, when nobody knows where it is. It has been lost, strayed or stolen.

One power plant, the hydro-electric distribution system in Toronto, supplies all the munitions plants in the district with power. An interruption in supply of power from any one of the vital generating plants or transmission facilities will cut off a major block of power and shut down for many months essential industries engaged in the manufacture of war materials. The dominion government is already providing military protection to transportation works and to a large number of private industries. It would not only be more economical but just and necessary to extend this same military protection to the power plants and distribution systems which provide and will continue to provide if protected, electrical energy to those industries manufacturing war munitions and war materials so vital to Canada's best contribution in this present war.

I view with alarm the present extremely costly and inefficient methods of providing civilian protection to electrical plants, which duty has been forced upon the municipalities and the province of Ontario. I feel that more effective means of guarding these vital facilities can be effected by the dominion government using the militia now in training without any additional expense to the taxpayers, and with the added advantage of giving valuable practical experience to the militia. That would be far better than having sixty men guarding the Royal Canadian Air Force property at the foot of Yonge street. These men are on guard twenty-four hours a day, in all kinds of weather. Yet there is already triple protection for this property, by the city police, by the harbour commission and by the contractor. Anyone who is travelling on a train leaving Toronto can see this long row of buildings and realize that it would be far better to have only five or six guards.

The hydro commission respectfully urges that the dominion government immediately take over and supply all necessary protection

for all vital hydro electric and public utility plants and power distribution systems in the same way as they were guarded during the great war and as is now being done in many cases for private industry. This is a splendid statement from the local municipal system.

There is another matter I should like to bring up, one which I do not think has been mentioned before in this debate. How does it come that everything is as usual in this country? If this committee would visit some of the large cities during the week-ends, they would see that everything is going on as usual. A visit to department stores or various places of entertainment in any city will show no evidence that Canada is at war. All that can be seen is a few soldiers on the streets, otherwise everything is just as usual, in this country. How are we going to fight Hitler that way? Why are we always talking about break-downs and all that kind of thing? Let us admit now that unless we give more urgent aid to Britain, it is possible that Britain may break down. I hope the committee will visit different centres of population and see for themselves that everything is as usual.

I want to turn now to the question of national soldiers' insurance. This country has money to provide insurance for those civilians who stay at home, but it proposes to do nothing in the way of providing insurance for those who are prepared to give their lives in defence of this country. To them it gives $1.30 a day, and out of that they have to find their own pocket-money and fares. I appreciate the hard work which the war ministers and the leader of the opposition are doing. I have always found them courteous in replying to a private member of parliament and they are willing to give freely of their time when a member writes to them. I am glad to pay this tribute to them and the leader of the opposition. But I do say that when this country can pay to insure those who stay at home, it should be able to insure those who are risking their lives for civilization.

During the great war the city of Toronto insured every one of its soldiers for $1,000. I have here the report of George Wilson, commissioner of finance, dealing with the matter. He says:

In November, 1914, the city decided to purchase—at its own cost—insurance coverage for all citizens of Toronto who enlisted for overseas service. Under such plan, 9,609 $1,000 insurance policies were purchased during the period November, 1914, to May, 1915, at a premium cost to the city of $1,247,261. As the city in May, 1915, was unable to obtain further insurance cover from local insurance companies, provincial legislation was applied for and granted, under which the city itself became the insurer of all citizens who thereafter enlisted for active service. In all cases, whether the citizens were insured by companies or by the city under the legislation referred to, the city was appointed beneficiary with power to administer the losses under such policy. Under the plan, which became effective in 1915, approximately 35,400 citizens enlisted for active service overseas; all claims under such insurance scheme being paid by the city. The total number of death claims paid by the city was 4,904—which cost the city $4,378,020.

To be eligible for the insurance, a soldier had to have lived in the city two years, and a great many had not lived there that long and therefore did not qualify for the insurance. Another qualification was that they had to have someone dependent upon them. The report goes on to say:

The cost of guards for protection of city properties, that is, water works pumping stations, sewage disposal plants, et cetera, during the war 1914-1918 totalled $442,000. No contribution to such cost was made by the federal government.

Re protection of city properties since war was declared September 3, 1939. The expenditures from September 3 last to date—approximately 12 weeks—has cost the city approximately $88,000.

In this connection let me point out that if they had not enlisted for this war many of our soldiers who have been killed on the highways would have been alive to-day, and they get no pension at all when they are killed in an accident, even though they have a pass from Camp Borden and are on military duty. A moral responsibility rests on the nation to insure the soldier against road accidents. Insurance could be taken out for 25 cents a week. Some of the insurance companies in this country are trying to push the sale of insurance to soldiers, using as an argument that they may be disabled and prevented from purchasing insurance on their return from the war. After the last war insurance was made available to our soldiers, and I think the government should make a statement of its policy in this regard. Mr. Finlayson, superintendent of insurance, in a letter to me said with reference to my proposal for government insurance of enlisted men:

Our conclusion is that the government's obligation to returning men and to the dependents of men dying in the service can best be discharged through the provisions of the Pension Act, which deals with the claims of soldiers or dependents in accordance with the need and the facts of the particular case. Government schemes of insurance are necessarily of general application and result in unnecessary insurance in some cases and entirely inadequate amounts in others. The result is that, notwithstanding such insurance, the pension problem remains in practically undiminished importance and, since the needs must be met in part by the pension provision, it is preferable to deal with the whole problem in that way. The further arguments which

have seemed to us to inevitably lead to this conclusion need not be stated here, but I shall be glad to discuss them with you after you arrive in Ottawa, if you so desire.

We should have a national scheme of insurance for soldiers which would also provide for the soldier when he comes back from the war, provide against lack of employment, reconstruction days, disability and many other hazards. It would effect an economy.

The United States had a system of soldier insurance during the great war. I think the amount of the insurance was $5,000, and with the premium charge that was made for it, this scheme was found to effect a great economy in their pension bill. I have a letter here from Mr. Stimson, Secretary for War in the United States, enclosing a copy of their new national insurance scheme for soldiers. I have received a great many applications for copies of it and I would ask the minister to allow it to be placed on the record; it is only three or four short pages long. It shows the present national scheme of insurance for soldiers in the United States. Have the ministers any objection to allowing the members to see this national scheme of insurance? It is contained in circular No. 125 from the War Department, Washington, approved by the president, dated October 31, 1940.

Mr. ILSLEY: Mr. Chairman, I do not think that long documents of that kind should be placed on *Hansard*. If the hon. gentleman thinks he would like to have the members of the committee see it, I would have no objection to having it appear in *Votes and Proceedings*. Why not have it mimeographed for circulation among the members?

Mr. CHURCH: I have about concluded what I had to say. I want to refer in closing to some economies that could and should be effected in view of the large war appropriation that is now before the committee. First, I think a considerable economy could be effected by transferring some of the war staffs to accommodation available in Hamilton, Toronto and other cities. I raised this matter last year on two or three occasions.

I would also ask the Minister of Finance to consider a national moratorium under the War Measures Act.

Mr. ILSLEY: If I might interrupt the hon. gentleman, I think upon further consideration that to have the document he referred to printed in the records of the house is not the proper thing to do.

Mr. HANSON (York-Sunbury): It cannot be done in committee anyway.

[Mr. Church.]

Mr. ILSLEY: The hon. gentleman could, perhaps, have it mimeographed and circulated among the members. I think that is the best thing. I do not like to have a precedent created of having substantial documents like that included, unread, in the official records of the house. If we once started to do it, there would be no end to it.

Mr. CHURCH: I could give the Minister of Finance the letter which I got, the rules and regulations, and the whole proceedings, and probably he could have it published for the benefit of hon. members, apart from this speech altogether, if necessary, or move that it be printed, under the rules of the house. I have no help to do it myself. I do not want to ask any favours. I have never in my life asked for a favour except one, which was refused, and I said I would never ask for another. Others, even ministers, place pages on *Hansard*, and essays have been placed on *Hansard* to-day. I repeat that I do not want any favours, and if letting hon. members know what is done elsewhere is a favour I say no; I would rather not have it. I have no time to read it or help to print it myself.

As I was saying, I believe that the principle of the War Measures Act has been extended to rents. It should be extended to cover shark small loan companies, and their rates curtailed. The other day I was in a building where there were a number of soldiers, poor women and children complaining that this act had not been enforced. It should be enforced, and there should be a national moratorium all along the line on interest mortgage rates, as I proposed last June, to five per cent.

One other matter. I understand that the Minister of Munitions and Supply has established a national industrial commission, with offices and staff, no doubt, at a large cost. I should like to find out what are their functions and duties, and the estimated cost of the commission. Does it aim at decentralization of industry, and how, or regulation of location? Who is asking for such a board, and on whose advice has it been decided to establish it? Will all letters, correspondence and other data relating thereto be tabled? What are the factors which determine a proper plant location? Has the minister or have his officials passed any rules or regulations in this respect, and, if so, what are they? From the experience I have had, I may say that there are more than adequate sources of information and advice in this country to assist any competitive industry which seeks a location. Decentralization is a meaningless term as applied to industry. It has been proved in

the United States and in Canada that the simple laws of supply and demand of labour, materials and markets are constantly adjusting the location of competitive industry to its most advantageous area. When these laws are interfered with, nothing but trouble results.

The CHAIRMAN: Order. I would remind the hon. gentleman that he has spoken for forty minutes.

Mr. HOMUTH: Mr. Chairman, the hon. gentleman has not gone past his time. He has been interrupted, and under the rules he is entitled to that time.

Mr. CHURCH: I wish to read just two short sentences.

Mr. RALSTON: The hon. member has not been interrupted at all. Nobody has said a word. He asked a question of the minister. There is no reason why he should not go on, but do not say that he has been interrupted.

Mr. CHURCH: I will add only one sentence.

Mr. HANSON (York-Sunbury): Certainly.

Mr. CHURCH: A competitive industry which is mal-located can only exist through subsidy, and the problem of calculating that subsidy is so complex that it cannot be done accurately. If this organization plans to "direct" industry to certain localities, I may say that I do not believe in it. Anyone who has spent any time in this kind of work will testify that the factors which decide a proper plant location are so numerous and vary to such a degree between industries that wide practical experience is needed before even an intelligent opinion can be given.

Mr. MacINNIS: I want to say a very few words in reply to the criticism by the Minister of Labour (Mr. McLarty) of certain statements made by me in this chamber on Monday last. But before doing that, I will make two observations. First, I wish to tell the minister that in raising the points which I put forward on Monday I had no other thought than to help to promote the greatest cooperation among the various forces in the country, in order that victory may crown our efforts. Second, I wish to tell the minister that I did not by any means exhaust the resources I could draw upon to establish more firmly, if necessary, the points I raised on that occasion.

I think the minister's criticism of yesterday was exceedingly weak. The first point he raised was that I had proposed or suggested the amalgamation of the Department of Labour with the Department of Munitions and Supply. I did nothing of the kind. What I did suggest was that the Department of Munitions and Supply should keep its hands off the affairs of the Department of Labour, and I told the Minister of Labour that he ought to be master in his own house. If the information I have from various labour organizations is correct, it is there that the chief difficulty between the Department of Labour and labour organizations at the present time exists. If the minister had taken note of the criticism made in this regard at the trades and labour congress convention at Vancouver in September last, he would realize, as I believe he does, that strong exception is taken by organized labour throughout the country to the interference by the Department of Munitions and Supply in matters which are purely within the province of the Department of Labour.

The minister indicated a number of ways in which, in his opinion, the government is cooperating with labour. He first mentioned that the government had set up the war-time prices and trade board. What connection has that with cooperation with labour? We all know the purposes of the establishment of that board, and certainly it was not created just to benefit the labour movement.

He then referred to the number of positions given to labour under the Unemployment Insurance Act. Surely that has nothing to do with what we were talking about. The posts which were allotted to labour under that act represented merely the division of the administrative positions as between employers and labour. That is definitely provided for in the act; it was in the act of 1935; and it is irrelevant for the minister to bring up the matter at this time in order to try to throw discredit on the points I raised.

Then he went on to say that Tom Moore, president of the trades and labour congress, would be offered the chairmanship of the national employment committee which is to be created by the unemployment insurance commission. I am sure that I am as pleased as is the minister that such an appointment is intended for Mr. Moore, because I do not know of any man more capable than he is to discharge the duties of that office, and I hope he can see his way clear to take it. But it is a matter which has nothing to do with the questions I raised on Monday.

He then referred to order in council No. 2685, passed in June, in which the government laid down the principles which it maintained should obtain as between employers and employed. The position which labour takes in this matter is that employers do not pay any attention whatever to those principles, and even the government itself, when doing certain

works, forgets that it passed the order. As a matter of fact, last summer the government abrogated the Fair Wages and Hours of Work Act on a certain work after passing this order and without consulting in any way with the labour supply council. I pointed that out in the house last November. Last Monday I quoted from the *Canadian Congress Journal*, showing that what I was saying was not merely my own opinion but the opinion of those who were in a position to speak for labour. Let me read the last paragraph of an editorial in which reference to the national labour supply council is made. This is from the *Canadian Congress Journal* of February, 1941:

> The weakness of the national labour supply council is that it has not been allowed to function as a planning body, but instead, merely called upon to give an advisory opinion, many times at extremely short notice, on measures already prepared by others. To be of real use, workers' representatives should be placed in a position where they can contribute from their experience toward the shaping of policies and not be called into consultation only after the course of action has been decided upon.

Mr. McLARTY: Would the hon. member permit a question? How does he reconcile that statement with the fact that the national labour supply council on its own initiative and of its own volition called a meeting of the construction industry in Canada early in February of this year, if it is not a planning body?

Mr. MacINNIS: First, this is not my statement. Second, I would assume that the *Canadian Congress Journal* would know what it was talking about when it made this statement. If there has been a solitary case of consultation on their own initiative, the exception only proves the rule. I have been watching the relations between the government and the national labour supply council ever since it was set up; I have been more or less in touch with some of those who are on it, and if I may be allowed to use a homely simile to express what I think of it, the relation seems to me something like a number of gentiles inviting a Jew to lunch and giving him pork chops. He has to do the best he can in the circumstances; he has to cut off the fat and other things to make them as palatable as possible to his psychological stomach and then either eat them or throw them out of the window. That is the position of labour in fifty per cent of the cases with the national labour supply council. As the editorial states, they are called into consultation only after the course of action has been decided upon.

I have in my hand an article by A. R. Mosher, president of the Canadian Congress of Labour, on the government's wage policy.

This article appeared in the *Canadian Unionist* of January, 1941. There was so much criticism of order in council 7440, that the president of the Canadian Congress of Labour decided it was necessary to reply and show the position that labour was really in. He stated:

> I feel therefore that it would be desirable to explain why the order in council was approved, and why I believe that if properly applied it will be helpful rather than harmful to the interests of the workers. We should all realize that very great pressure is being used by certain interests in Canada at the present time to rob organized labour of its hard-won rights and to prevent it from extending its organization. It is therefore possible—

I ask hon. members to note this.

> —that had not this order in council been approved, something very much more severe and harmful to the interests of the workers might have been passed.

In other words, A. R. Mosher, who, I believe, is a member of the national labour supply council, was handed the pork chop and he realized that if he did not eat it he might be given dog.

Then reference was made to the question of the turnover at the Malton plant. I gave certain figures, the result of an investigation,—not official—made of conditions in the Malton plant. I am sure that if I read even half of that report, it would create a furore throughout the country. The point is, however, it is admitted that labour conditions in the Malton plant are such that they are interfering with production. That is something that the minister cannot gloss over. Speaking in this committee on February 28, the Minister of Munitions and Supply made some reference to the Malton plant, and he was asked these questions, as reported on page 1137 of *Hansard*:

> Mr. Coldwell: Does the minister not think that the big labour turnover in Malton is a factor?
>
> Mr. Howe: Certainly it is. It is a reflection on something.
>
> Mr. Coldwell: Can the minister tell us why there is such a large turnover?
>
> Mr. Howe: I cannot. We have been trying without success to find out the reason. In 1936, there was practically no aeroplane industry in Canada; I suppose it was employing less than one thousand men; to-day it is employing twenty thousand.
>
> Mr. MacInnis: Did the minister approach the employees at Malton to try to get their point of view?
>
> Mr. Howe: No, I have enough trouble approaching the management.

That, as I said the other day, gives an insight into this whole matter of employer-labour relations as far as the government's attitude is concerned. When the Minister of Labour wanted to get further information, he merely asked the company what the turnover was and they said so much per cent, but only for the last six months.

Mr. McLARTY: That is what the hon. member referred to, the turnover in the last six months.

Mr. MacINNIS: I beg pardon; I did not say the last six months.

Then the minister referred to the Montreal Construction Supply and Equipment company and my criticism of conditions at this plant. I pointed out that the employees had a number of grievances, regarding sanitary conditions, the seven-day week and the eight-hour day with only fifteen minutes off for lunch, the question of intimidation of workers because of trade union activities—

Mr. McLARTY: In connection with the hon. member's statement that he did not refer to the last six months, I refer to *Hansard*, page 1364. If he is not correctly reported he should correct it in *Hansard*. He is reported as saying:

> The dissatisfaction in the Malton plant, where in six months there was a labour turnover of from seventy-five to ninety per cent, is not exceptional, but for the turnover figures.

It is a specific reference to the six months, to which, in my reply, I in turn referred.

Mr. MacINNIS: I said "in six months".

Mr. McLARTY: I took that to be the last six months.

Mr. MacINNIS: The minister knows there is quite a difference; he would not let a thing like that stand against him for a moment in a court of law. There is quite a difference between "in six months" and "in the last six months."

Mr. McLARTY: Is the hon. member referring to another six months, rather than the last six months?

Mr. MacINNIS: I was referring to the information I had at the time. As a matter of fact, I had it before the house met in November, but the whole position was so serious that, in view of the situation, we decided to leave the matter for the time being, in the hope that perhaps it could be approached in some other way.

Then there was the question of the company entirely disregarding the regulations of the government *re* wages. The minister adroitly sidestepped all the major issues; he referred to the matter of sanitary conditions and said that that was under provincial jurisdiction, and of course this government could not do anything about it. I am getting rather tired of this buck passing with regard to what the government may or may not do. I wish to tell the minister and the government that they have complete control and complete power in the matter of war contracts and government contracts generally. They give a contract; they can stipulate the conditions and wages which must be observed under that contract. In the United States they are imposing upon industrial organizations as a condition of getting any contract, that the company concerned must live up to the provisions of the Wagner labour act. Just recently the Henry Ford company was refused a contract to supply $10,000,000 worth of equipment until such time as it would agree to respect the conditions imposed in the Wagner act.

Then the minister referred to the matter of finger-printing at the Fairchild plant. I have letters from employees in this plant, but I am not going to take time to place them on record because the matter has already been discussed. The minister said that the finger-printing had been done, all right, but that it was voluntary. Surely he is not so naive as to think anything remains voluntary when a man has to have a job in order to live. Just supposing that the minister and I, if we were capable of doing that sort of work, went to the Fairchild plant, filled out application forms, were accepted and told to go to work; then the person taking our application said, "Well, Mr. McLarty, Miss Jones will take your finger-prints."

Mr. McLARTY: I do not wish to interrupt the hon. gentleman again, but perhaps his remark is made as the result of a misunderstanding for which I do not blame him, because the report in *Hansard* was not one as complete as that I intended to give. The purpose of the finger-printing at the Fairchild plant, I am informed by the manager and I have not gone into it further, was that in the event of sabotage or accident, in connection with men badly injured or perhaps killed, this was the best method of their identification. Let me be fair about it. I do not think the hon. member would draw that deduction from my remarks as reported in *Hansard*, and in that event perhaps it is my fault; but finger-printing is for that purpose. It is not for any policing purpose; it is a purely voluntary undertaking, providing a convenient method of identification in the event of injury or death as the result of sabotage. I do not, however, blame my hon. friend for taking the meaning that he has taken.

Mr. MacINNIS: I am quite willing to accept the minister's explanation; and, although usually I do not like to see people hard-boiled, I am glad he did not take the other point of view. But suppose it is for that purpose; why have a voluntary finger-printing policy or system? If it is to be of

any value at all, it should be compulsory. After all, in the case of sabotage the man who intended to commit sabotage would refuse to have his finger-prints taken, while the man who did not care, the man whose heart and mind were open, would say, "I am quite willing to have my finger-prints taken; it does not matter." The voluntary idea does not really stand at all.

Then there was the matter of the application for the board at the plant of the National Steel Car Corporation. I am quite aware of the circumstances mentioned yesterday by the minister, and I believe and know that his department has done and is doing excellent work in settling difficulties that arise between employers and their working staffs. There is not the slightest doubt in the world that this is so. I think under the late Mr. Rogers great advances were made in that direction, and I hope and believe that the work done by him is being carried on under the present minister. But in order to support my point I should like to quote again from the memorandum presented to this government by the Canadian Congress of Labour on February 14, 1941. Under the heading "The Right of Association," section 5 of the memorandum states:

> The congress desires to commend the government for its action in setting forth in order in council P.C. 2685 a statement of principles for the regulation of labour conditions during the war. . . .

I am not completing that sentence; the remainder is not important. I want to point this out, however, so that I may not be accused of taking something from its context. That is perfectly satisfactory, and I am in agreement with it. Then the memorandum goes on:

> It is pointed out, however, that many employers, including those who have obtained huge war orders from the government, are refusing to respect these principles, and are using every means in their power to prevent the workers from being organized. They are unwilling to meet committees representing their employees, and endeavour in many instances to set up so-called "company unions" under their control, in direct contravention of the principles quoted above. At its convention in September last, the congress approved a resolution that the government be asked to use its authority under the War Measures Act to ensure that its labour policy be observed by all employers in their relationships with their workers.

Then section 7 goes on:

> The difficulties involved in enforcing the principles enunciated by the government upon recalcitrant employers are recognized, but so long as no action is taken to insist upon their acceptance, the order in council is of little or no value to the workers, who are themselves carefully observing it. The congress urges especially that the government enforce these principles in all government-controlled plants, and under all government contracts. It is obviously inconsistent that plants or industries which are controlled by the government should be permitted openly to disregard the order in council, and that contracts are awarded to notorious anti-labour firms.

There the minister has the attitude of organized labour with regard to the matters with which I dealt. This does not imply that there are not decent employers. I have worked for employers myself, not very many, and I never worked for one who did not treat me decently. But, as the minister knows, the manager of the National Steel Car Corporation used every means within his power to make the appointment of a board impossible. The minister said, when he was speaking yesterday, that even when I spoke on Monday the board had made the appointment. Let me draw to his attention the debate which took place on Monday, March 10, part of which is reported at page 1369 of *Hansard* as follows:

> Mr. McLarty: That is not correct. The management did not refuse. The machinery for taking the vote could not be set up in time to take it on Saturday.
>
> Mr. MacInnis: Well, according to my information, he was there at eleven o'clock in the morning.

I was referring to the representative from the Department of Labour.

> Mr. McLarty: Yes, but they had to prepare the lists.
>
> Mr. MacInnis: They had to get the lists, but Mr. Hart was insisting on the lists of the employees who had come into the plant since February 3.
>
> Mr. McLarty: Yes, there was some dispute about that.

The fact of the matter was that Mr. Hart would not allow the vote to be taken inside the plant.

Mr. McLARTY: Perhaps I ought to clear up that point. What the hon. member has said, and his quotation of my observations, are quite correct. I believe it was about noon on Monday when the company waived the taking of the vote, and when the registrar ordered the setting up of the board under the Industrial Disputes Investigation Act. There was a complete waiver; no vote whatsoever was taken. I cannot give the exact moment, but my recollection is that it was about noon.

Mr. MacINNIS: It is not of great importance whether or not the company had waived the taking of the vote at that particular time. But I spoke in the house about 3.30 p.m. on Monday, and at 6 p.m. of the same day the representative of the employees of the National Steel Car company was advised that the board was to be set up. On Monday morning the labour representative on the board

was advised of his appointment as one of the members of the board. Those facts I believe speak for themselves.

The minister then referred to the personnel application form which I had placed before the house on Monday. Surely that was something of sufficient importance to bring to the attention of the house and the country, to show the people of Canada what employers of labour were asking their employees to sign. As a matter of fact, they were asked almost to sign their lives away. The minister read his letter to the Richardson company—

Mr. McLARTY: No; to International Metal Industries, Limited.

Mr. MacINNIS: The minister is a kindly man, and I assure him I appreciate that fact. But I wish he had been a little more harsh when he wrote to these people. I should like to have seen him address them as he did me yesterday. Had he done so, I believe he would have met the situation very well. I should like to read the last paragraph of his letter to the company which was asking its employees if they believed in the competitive system, to what political parties they belonged, and whether or not they were socialists. This is what the minister wrote:

> By order in council 2685 of June 19, 1940, copy enclosed, the government laid down certain principles designed to establish and maintain good relations between firms engaged in the execution of war contracts, and their work people. Whether a firm is engaged partly, exclusively, or not at all on war contracts, it cannot but be detrimental to the war effort as a whole if the principles laid down are disregarded as has been the case in connection with the use of the "personnel record" form referred to above. I hope you will see fit to amend this form and expunge that part of it which is provocative in character.

I suppose I ought to cultivate that kindly spirit which the minister exhibits; but when he addresses a company which would place an application form of the kind I have described before its intended or present employees, then I say he should say something more definite and direct than "I hope you will see fit", and that he should tell them in no uncertain way that as far as he was concerned, as a member of the cabinet he would use his utmost endeavours to see that a contract would not go to a company which treated its employees in that way.

The minister suggested that the points I raised could have been discussed directly with the Department of Labour. There are times—and I take advantage of them—when matters can best be taken up with the departments. But there are other times when grievances must be raised in this house, and this is one of those times. If another such grievance should come to my attention, I shall place it before the house. The minister complained that I had not cooperated with him. He knows that if he brings to the house anything of a constructive nature, anything which will benefit the workers or the people of Canada, I will, as in the past, cooperate with him to the utmost limit.

I believe that is all I have to say. I am convinced employers in Canada are riding for trouble, unless they come to understand that the working class must have a definite part, an equal part, in the economic affairs of the country. Can they not see that the safety of the nation, the maintaining of democracy, depends upon the spreading of control and administration over as large a proportion of the people as possible.

A shattering revolution took place in Russia in 1917. That revolution came almost entirely because of the suppression of the common people in that country, the suppression of generations of peasants and workers by successive governments. In France the large employers of labour were hostile to their employees; the result was that communism was much more general in labour unions in that country than it was in Great Britain, where for generations labour organizations have been recognized. If we are going to have orderly political and economic development in this country—remember the world is moving and we have to move with it—then we must spread the administration and control of government from those at the top to the lowest person in the land. That is what I am interested in and that is what I am advocating in this house.

Mr. ADAMSON: Mr. Chairman, I should like to make one or two general observations on the military situation as it exists to-day in Canada. In doing so, I find myself in a rather delicate position. Some of the information in my possession is of a semi-official or official nature, but I believe it my duty as a member of this house to bring it to the attention of the country. Furthermore, as a member of the opposition I believe I have a specific duty to perform. I should like, therefore, to deal briefly with the statement made by the Minister of National Defence (Mr. Ralston) on March 11. The proposed method of training and the organization and establishment of the Canadian army for this year, 1941, have found almost universal support in the army. As far as I am concerned, the support is complete. I should like to mention one or two specific things which the army considers to be of advantage.

I shall deal, first, with the matter of training in training centres rather than in battalions. In a training centre it is much easier to give

intensified training with all the weapons necessary, even to train that lowly animal, the rifleman. The No. 1 and No. 2 infantry rifle training centres at Camp Borden are doing excellent work. I can assure the committee that the concentrated training received in these centres is much quicker and more intensified than any type of battalion training we have yet undertaken.

The formation of the armoured brigade and the armoured division has met with almost entire satisfaction. The minister was quite distinct when he mentioned the duties of the armoured brigade and the armoured division. The armoured brigade is to cooperate with the infantry and is to be an integral part of infantry operations. The armoured division is a completely separate unit. But there was one point which the minister did not bring out, and which I think should be brought out before hon. members. I refer to the magnitude of the task of bringing into being an armoured division. It has been estimated that the cost of supplying, training, equipping and paying the men of an armoured division, of making it a complete fighting unit, is in the neighbourhood of $100,000,000. I do not think the committee has really appreciated just what an armoured division means.

The minister also referred to the fact that the Canadian general staff had cooperated with the imperial general staff. I was in a position to see some of the minutes of those meetings. Because those documents were highly secret it would be most improper, in fact it would be a serious breach of discipline on my part to give any of their contents. In view, however, of the minister's statement, I think it is proper for me to tell the committee that the general staffs of the empire are in agreement, and that the plan for the Canadian army, with regard to both training and composition, meets with favour of the war office. That is a statement of which the country should be made aware. It is necessary for the morale of the country to emphasize the fact that what is going to be done will be done in conjunction with the general staffs of the motherland, Australia and New Zealand, and that it meets entirely with their approval.

I come now to a subject which has been brought up a number of times, hitch-hiking by soldiers. The number of soldiers who appear on the roads in the vicinity of Camp Borden and the other large centres of military activity has been a matter of grave concern to the authorities. The truth of the matter is that the soldiers do not have the money to pay for railroad transportation. As this is not official, I can say that we have tried to obtain the cooperation of the railroads. It was suggested that men going on leave would be given a pass and that transportation would be provided as an integral part of that pass. I think it is generally held that troops would sooner travel by train than hitch-hike. Before this idea was made mandatory, it was suggested that the railroads should reduce the price of transportation from the major concentrations of troops.

At no time did the military authorities consider free transportation for these fortnightly leaves. It was almost universally held that such transportation would be unwise at the present time. What we did suggest to the railway authorities before any mandatory scheme be put into effect was that they cooperate with us and accept the type of ticket which was proposed to them and reduce the return fare from Camp Borden to Toronto to $1 or $1.25. Many conferences were held, but it was impossible to come to an agreement with the railway companies because they always fell back on the argument that such a proposal would upset the price structure. I bring this to the attention of the committee for one reason only, and that is this: The military authorities are alive to the dangers, and they have tried to do everything in their power to alleviate the situation, but the situation remains as I have outlined it so far as the railways are concerned. We can get no reduction and no flexibility of thought, shall I say, in the railway managements with regard to the proposal.

I come now to another subject that has been brought briefly before the house, namely, the question of propaganda and the ministry of information. The ministry has been severely criticized, and criticized unwisely I think, on the ground that it has spent so much money. The ministry of information could be one of the most useful ministries we have. Propaganda is here and is an essential part of all government. What I do criticize and what I think is most disgraceful is the matter and type of information and propaganda that have been put out. It has been a tremendous wasted effort.

I make one or two suggestions. This year we are going to try to attract a great number of tourists to Canada. I believe there is to be an expenditure of half a million dollars on radio broadcasting time alone. I suggest that instead of putting that radio broadcasting time into the hands of the Canadian Broadcasting Corporation, we bring in Americans and ask them to look after our tourist propaganda for us, because they understand themselves and know what kind of propaganda will influence them. We may know the type of propaganda that will influence Canadians.

but we are trying to attract Americans, so let us use the money we are going to spend by getting the best experts available in that particular field.

I wish to speak for a moment or two about aircraft. I listened yesterday to the hon. member for Northumberland (Mr. Fraser) and was extremely interested in what he had to say. One of his statements was that we had no aircraft industry, or an almost negligible one, at the beginning of the war, and I think that is correct. On May 22 of last year I had on the order paper two notices of motion for the production of papers, which were passed as orders for returns. The first one read:

For a copy of all letters, telegrams and other memoranda between the Curtiss-Wright Aeroplane and Motor Corporation and the Director of Aircraft Supply, the War Supply Board and the Department of National Defence offering to manufacture aeroplanes and aeroplane products in Canada; also a copy of memoranda submitted to the Director of Aircraft Supply during December, 1939, in connection with the subject.

That return has not yet been tabled. My succeeding motion called for:

A copy of all correspondence, letters, telegrams and memoranda exchanged between officials of the United Aircraft Corporation or any of its subsidiaries in Canada, more particularly the Canadian Pratt and Whitney, and officials of the National Defence department and the war supply board during 1938 and 1939 in regard to the manufacture of aeroplanes, aerial motors and other aeroplane products in Canada by the said companies.

My information with regard to the first of these two motions is that the Curtiss-Wright company offered to come into Canada and build a plant costing $15,000,000 to produce aircraft and that this offer was not taken up by the government. My motion was passed last May, but no return has yet been made of the papers asked for.

With regard to the second motion, my information is that the United Aircraft Corporation—Pratt and Whitney division—offered to build in Canada a plant costing $5,000,000 to produce the Curtiss-Wright Whirlwind engines in Canada. Both these companies, I understand, represented to the Canadian government that we were going to have a bottle-neck in aircraft production, and they said: "If you accept our offer now we will produce, and all we ask is that you take so many motors a year and so many aircraft a year. Accept our offer now," they said, "because if this war develops as it may do we shall not be able to supply you with an adequate supply of aircraft and aerial motors from our American plants." I would be very much interested in seeing these papers tabled.

Mr. FRASER (Northumberland): If the hon. member will permit me, I made a statement yesterday with reference to the very thing he now mentions, but we could not get money voted through parliament to do those very things and that was the bottle-neck we were up against.

Mr. ADAMSON: But these offers were made in November and December, 1939, after war was declared. War was declared in September, and it was two months afterwards that these offers were made. We realized then that we were at war and certainly the Americans realized it, although there was still a tendency in the United States at that time to talk about a phoney war. But that was not our attitude in Canada.

Mr. FRASER (Northumberland): I dealt with that point yesterday, too, and said that at that time we were confronted with the insistency by the British air ministry that they would supply the engines for Canadian planes.

Mr. ADAMSON: The Australians went ahead and did it themselves. If I have heard it said once in this chamber I have heard it practically every day, that we are a nation, a self-governing dominion. If we are, let us look after our own supplies. That is what we should have done before. We have talked about it, but that is all we have done. If we are going to be a nation let us be a nation, let us stand on our own feet and produce ourselves the things we want. I know it is difficult, but it should have been done then, and it must be done in the future.

I come to one further subject with regard to aircraft. The hon. member for Northumberland (Mr. Fraser) mentioned a difficulty in the production of aircraft, namely, the number of changes which are made in certain types of planes. I believe he said that four hundred changes were made in the Bolingbroke bomber.

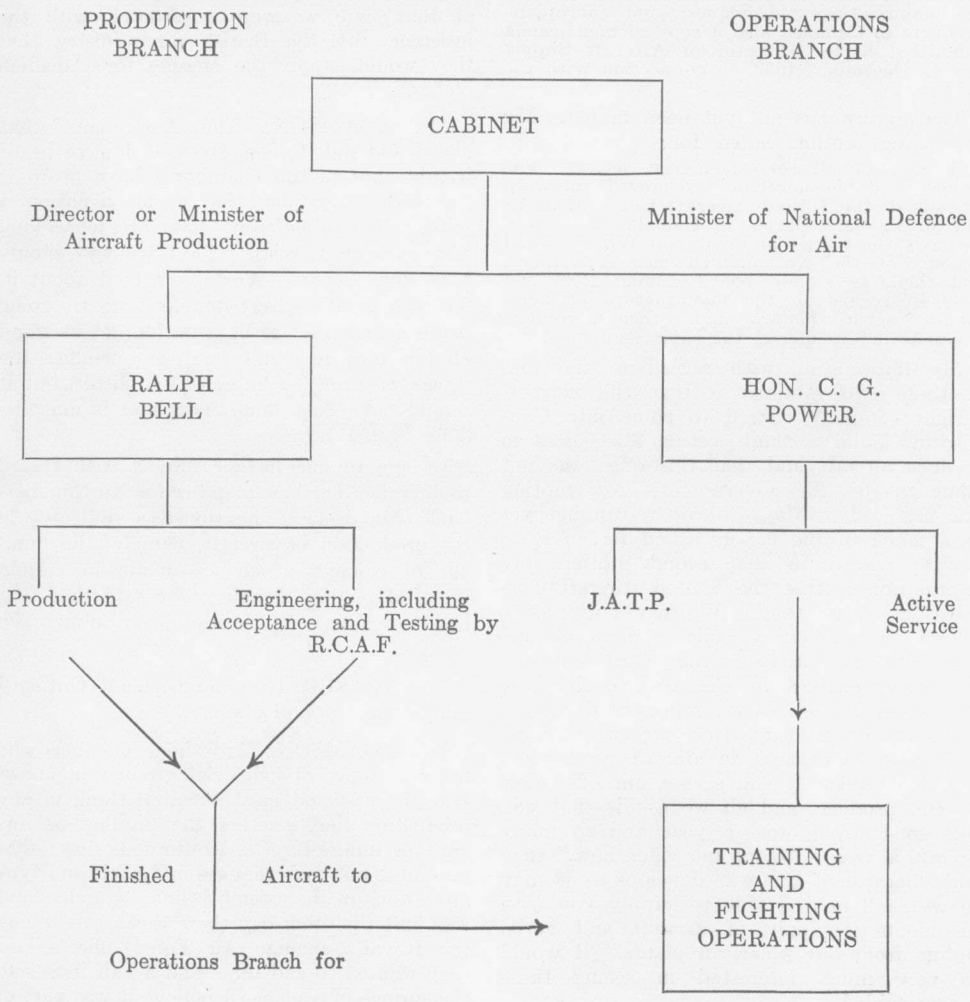
Mr. FRASER (Northumberland, Ont.): I said, in one type of plane.

Mr. ADAMSON: Any hon. member who has experience of industrial production knows that the first and most essential thing in any production line, whether the product be aircraft or mouse-traps, is continuous flow; that you must not have changes in models and type alterations in the assembly line. I understand that just the other day there was a case where the Royal Canadian Air Force officers said they wanted to add three and a half inches to the surface of a plane; I believe it was part of

the tail assembly. They had no idea of the difficulties which would be involved in that change.

Mr. FRASER (Northumberland, Ont.): They wanted to put nine pounds in there, too.

Mr. ADAMSON: I am glad that the hon. member is talking about the same thing. They have no idea what that means. I make this suggestion, and I should like to have the permission of the committee to put on *Hansard* a little chart to illustrate it. Before we can get substantial aircraft production in Canada, we must divorce production from operation. I suggest that there be created a director or minister of aircraft production. The man would have to be given authority. He could be made an air marshal and a brass hat put in his room or the necessary stripes pinned on his door, but he would have to be given authority in the air force over the testing officers. On the operations side, there is the Minister of National Defence for Air, my hon. friend who is sitting on the government benches now. I make the specific suggestion that Mr. Ralph Bell be appointed director of aircraft production, and that under him be a production and an engineering branch, the latter including acceptance and testing by the Royal Canadian Air Force. Under the Minister of National Defence for Air should be the joint aircraft training plan, and the active service branch. On the production side the aircraft are produced, and when they are produced they are handed over to the operations branch to operate. The chart follows:



What the operations branch must do is to advise the production branch, "We want so many aircraft; we want them of this type, and we want them to do this. You are the production branch, go ahead and produce them"—and leave it at that. Do not, halfway through the assembly line or part way through the maintenance say, "We want nine pounds more in the tail plane." Make your decision first, and produce that type of aircraft. The one really satisfactory unit of aircraft production that we have in Canada, the Canadian Car and Foundry company, are manufacturing aircraft for the British government. They were told, "We want this plane; you go and produce it," and they are producing it. We have not done that, and I suggest to the minister that production has lagged because of these changes and alterations in the course of manufacture; when production has got part way down the line the manufacturers are told that alterations are necessary, that something else is wanted.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. ADAMSON: I come now to a condition of expenditure. In my riding the largest industrial plant is the Anaconda American Brass company. They are, or were until a very short time ago, the largest and practically the only manufacturers of brass in Canada. Some time during the latter part of last year the Department of Munitions and Supply asked for tenders on a plant to produce 100 million pounds of brass sheet and rod a year. On this tender there were two bids, one from the Anaconda company and one from the Canada Wire and Cable company in Montreal. When the contracts were let, it turned out that the Anaconda company had made a bid of $1,500,000 less than the bid actually accepted. There is now a discrepancy of $2,300,000 because, after the original contract was let, the demand for brass increased to such an extent that the government had to ask the Anaconda company to build a plant of the same size as it originally intended to build.

The Anaconda American Brass company have offered to run this government plant entirely and absolutely without fee. I understand from the information I have received that the Canada Wire and Cable company is charging a fee for the operation of their plant. Further than that, the Canada Wire and Cable company had never made brass sheets and rods before. They had to go to the Anaconda company in New Toronto and ask them, first, to help them with their layout of plant, and, further, to train men in their private plant—not in the government plant—in the manufacture of brass sheets and rods.

When this information was presented to me I naturally investigated the matter, because this concern is in my riding, a company that is vitally important to the welfare of York West, and one on whose lists there are to-day the names of some four thousand men wishing for employment. Therefore I assumed with my constituents who are members of this organization that the reason why the contract was given to the Canada Wire and Cable company could not be lack of labour in York West, because there is plenty of labour available there. Then I said, perhaps there is a power shortage in York West, so I inquired of the Ontario Hydro-Electric commission and officials of the company and found that ample power was available. But one of the members of the company said to me: "Yes, we had lots of power, but I understand that the Canada Wire and Cable company were guaranteed power and that the deal was put through by a Mr. Henry"—I think the name was—"who said there would be opportunity to get plenty of power from the Beauharnois company, they had a surplus of power, and that they could build their plant in Montreal."

The questions being asked in my riding to-day are these: Here you have a plant in Ontario that makes an original bid $1,500,000 lower than the bid which was accepted; you have a company that offers to operate the government-owned plant without fee, and that, a company which knows the business. My constituents come to me and ask, "Is the government getting value for the money in this matter?"

Here is a discrepancy; when Anaconda company were asked to build a plant which they say will produce 120 million pounds of brass sheets and rods, they were held to their original contract, whereas the Montreal plant, I find in the minister's statement, bid for a plant of 100 million pounds capacity and are charging $2,300.000 more for approximately the same size plant.

This is a serious matter, and one which this committee and the special committee which is set up to investigate war expenditures should investigate. But another matter has been brought to my attention. The suggestion was made to a very high official of the Anaconda American Brass company that he should increase the price one cent a pound so that

the Canada Wire and Cable company would be able, or the government would be able, to write off this plant in Montreal.

Mr. HOWE: My hon. friend is making serious allegations. Is he able to prove what he is saying?

Mr. ADAMSON: This is a matter that has been given to me—

Mr. HOWE: I trust my hon. friend will be prepared to repeat his allegations before the committee he mentions. I will see that he is called personally.

Mr. ADAMSON: I shall be prepared. The information was given to me by a person whose name I am not prepared to reveal to this committee.

Mr. HOMUTH: The hon. member does not have to, either.

Mr. HOWE: My hon. friend made a suggestion as to who gave him the information.

Mr. HANSON (York-Sunbury): No; he said he had the information.

Mr. HOWE: He mentioned the source.

Mr. ADAMSON: My constituents, many of whom are employed at this plant—

Mr. HOWE: From my intimate knowledge of the whole situation I would say that the facts and information given by the hon. member are erroneous, and his innuendo about the Beauharnois company is wholly false.

Mr. ADAMSON: That is interesting, but it is not the information I have received from sources which I believe to be entirely reliable.

Mr. HOWE: The hon. member mentioned that he got the information from the Anaconda company, did he not?

Mr. ADAMSON: I am not speaking for the Anaconda company.

Mr. HOWE: I will communicate with the Anaconda company to-morrow and see just how much information my hon. friend got from it.

Mr. ADAMSON: I shall be very glad if the minister does so, and I should be interested to see the reply he gets.

In conclusion, Mr. Chairman, let me say this with regard to our war effort. At the present time we are in complete agreement with the British war office, which is a very happy state of affairs. Had we shown this same cooperation in the past, there is no doubt now what the results would have been.

[Mr. Adamson.]

Mr. ROSS (St. Paul's): I must say that this report by Mr. H. R. MacMillan contains a tremendous amount of meat and should give the Department of Munitions and Supply a great deal to think about. I wonder what has been done to implement this report up to the present time.

I was very much interested in the remarks of the hon. member for Northumberland, Ontario (Mr. Fraser) yesterday afternoon. He suggested, as did the Minister of Munitions and Supply (Mr. Howe), that it would be a good thing if members of this house visited some of the plants engaged in war work. I have visited several of these plants, but I have an idea just how much information an ordinary member would get, and how difficult he would find it to ascertain whether or not the plant was operating properly, whether or not it was doing its best, and so on. He would have a great deal of difficulty in finding out these things, I believe, unless he was given the information by the management, and in many of these plants the management is rather diffident about giving out such information. Hon. members here have to depend upon information which they receive from various people interested in certain industries.

To-night I should like to say a few more words about the aircraft industry, to the early difficulties of which the hon. member for Northumberland, Ontario, referred yesterday. He felt that the industry was entitled to some sort of defence, and I agree. When we consider the difficulties with which aircraft production in Canada has been faced; when we consider all that is necessary in order to produce aeroplanes, some of which have fifty thousand parts, the aeroplane manufacturers of this country are to be commended for what they have achieved. They should be praised also for their initiative and foresight in connection with various enterprises. We all know that this is a mushroom industry, with very little background, as the United States expert said, although some of these plants did have some experience.

Two or three matters come to mind in connection with the production of aeroplanes in Canada. We must give credit to Associated Aircraft for the vision, foresight and perseverance they showed as far back as 1938. We also know that the industry has been hampered because of difficulties in securing certain secret processes and patents and designs. I know that in 1937 one concern, having in mind that at some future time it might become difficult to obtain a certain alloy which was essential in the manufacture of aeroplanes, put experts to work and discovered

the composition of this alloy. To-day the whole industry is reaping the benefit of the work done by that company. I mention this incident in order to show that some firms in Canada have at least some little background along this line. Certainly they all have more background and more experience than Federal Aircraft. Considering everything, I believe these older firms have done fairly well, and it might be a good idea for the government to have a few conferences with them and follow some of their recommendations.

Most of us are greatly disappointed because the production of aeroplanes in this country has not been up to schedule, but there have been many difficulties in connection with designs, in getting parts, in obtaining machine tools, and so on. The minister said that in some instances the output of finished planes was very disappointing indeed. During the course of his remarks he said he thought they should have done better, and I believe he suggested that in certain instances the management was not all that it should be. While there may have been some faults on the part of the management, I do not think the minister has been quite fair. Is it not a fact that there is a multiplicity of control over supplies, over inspection and over the delivery of component parts, matters which are beyond the jurisdiction of the contractors themselves? It is directly the responsibility of some department of government to see that these things are delivered. Those are matters which are beyond the control of the contractors.

There are three separate authorities in the administration of aircraft construction. There are three separate authorities interested in checking costs. There were two separate goverment inspection organizations; I do not know whether that has been changed. There are three separate groups active in obtaining materials and equipment. All of the above are in addition to the organization of the contractor who, under any circumstances, must operate under each of the above sections.

I have in my hand a partial list of aircraft contracts in progress in Canada. This partial list illustrates clearly the question of control, and I should like to place it on *Hansard*. The list of aircraft, and the comments, are shown in the accompanying table.

It will be noted that in respect of the Noorduyn Aviation Company Limited, Mr. MacMillan said, in his report, that the manufacturing technique of that plant is the farthest advanced of any plant in Canada, and that unless they are held up by the non-receipt of ordered material or components, they will complete their contract. He gives them a good record. However, the multiplicity of control with respect to some of the others is easily seen in the list I have placed on record. It is apparent that in some instances production is not as good as it might be, and I am wondering whether that multiplicity of control has anything to do with that condition.

As I said earlier, it is at once apparent that where there was simple control there was good progress, but where control was complicated the progress was not as good. Is it not fundamental that the only service required from the aircraft industry is the reasonably economic production of aircraft, with all possible speed? Normal activities are necessarily divided into two main requirements: (1) the operation of aircraft production plants involving the fabrication of raw materials and their assembly with aircraft equipment and accessories into complete aircraft, by the use of labour and (2) an assured flow of all supplies required by the production plants. These supplies comprise raw materials, aircraft equipment and accessories, production equipment and labour sufficiently trained to be readily absorbed in the work. Then, to operate under wartime emergency conditions, a third requirement becomes essential, namely, the co-ordination of the industry to form a unit of production, in order to obtain and make possible efficiency in output.

Under normal conditions a contractor undertakes, as his function of management, the fulfilment of the first two requirements. But with the present demand for very rapid expansion if the contractor-management is permitted free access to the various markets involved, the industry will suffer from uneconomical distribution of supplies, leading directly to decreased gross production and increased gross cost. Also, a general scramble for contracts instead of allocation of work means overloading of the successful scramblers, and something less than full use of other facilities. The function of management can be fulfilled most efficiently by the operation of each plant on productive work for which it is best suited, and if the supply problem is undertaken by the government, the full energy of management can be concentrated on plant operation and supervision of labour.

With the present congestion of markets for all aircraft materials and production equipment, efficient operation is possible only by authoritative coordination and allocation of the available supplies, while training of labour can best be centralized and controlled by direct governmental action. It will be clear that a vigorous reorganization of the control of the aircraft industry is badly needed.

Partial List of Aircraft Construction

Contracts in Progress in Canada

Company	Contract	Administration of contract by	Contract subject to costs check by	Inspection jurisdiction	Materials and equipment obtained by
Noorduyn Aviation Limited.	Harvard	D.M. & S.	D.M. & S.	R.C.A.F.	Contractor and D.M. & S.
Canadian Car & Foundry Co. Ltd.	Hurricane	B.A.P.M.	B.A.P.M.	A.I.D. (British)	Contractor and B.A.P.M.
	Hampden	C.A.A.	B.A.P.M.	A.I.D. (British)	C.A.A.
	Anson	Federal	Federal & D.M. & S.	R.C.A.F.	Contractor, Federal & D.M. & S.
Canadian Vickers, Limited.	Stranraer	D.M. & S.	D.M. & S.	R.C.A.F.	Contractor and D.M. & S.
	Hampden	C.A.A.	B.A.P.M.	A.I.D. (British)	C.A.A.
	Anson	Federal	Federal & D.M. & S.	R.C.A.F.	Contractor.
Fairchild Aircraft Limited.	Bolingbroke	D.M. & S.	D.M. & S.	R.C.A.F.	Contractor and D.M. & S.
	Hampden	C.A.A.	B.A.P.M.	A.I.D. (British)	C.A.A.
The de Havilland Aircraft of Canada Limited	Tiger Moth	D.M. & S.	D.M. & S.	R.C.A.F.	Contractor and D.M. & S.
	Anson	Federal	Federal & D.M. & S.	R.C.A.F.	Contractor, Federal & D.M. & S.
National Steel Car Corp'n. Ltd.	Lysander	D.M. & S.	D.M. & S.	R.C.A.F.	Contractor and D.M. & S.
	Hampden	C.A.A.	B.A.P.M.	A.I.D. (British)	C.A.A.
	Anson	Federal	Federal & D.M. & S.	R.C.A.F.	Contractor, Federal & D.M. & S.
Fleet Aircraft Limited	Fleet	D.M. & S.	D.M. & S.	R.C.A.F.	Contractor and D.M. & S.
	Hampden	C.A.A.	B.A.P.M.	A.I.D. (British)	C.A.A.
MacDonald Bros. Aircraft Ltd.	Anson—Canadian	Federal	Federal & D.M. & S.	R.C.A.F.	Contractor, Federal & D.M. & S.
	Anson—(English conversion)	D.M. & S.	D.M. & S.	R.C.A.F.	Contractor and D.M. & S.
Ottawa Car & Aircraft Limited	Anson	Federal	Federal & D.M. & S.	R.C.A.F.	Contractor, Federal & D.M. & S.
	Hampden	C.A.A.	B.A.P.M.	A.I.D. (British)	C.A.A.

Abbreviations used above are:

D.M. & S.—Department of Munitions and Supply.
B.A.P.M.—British Air Purchasing Mission.
C.A.A.—Canadian Associated Aircraft Limited.
A.I.D. (British)—Aircraft Inspection Detachment, British.
Federal—Federal Aircraft Limited.

There should be one strong central authority, such as a minister of aircraft production, to replace the various existing authorities. While I am on that point, if we are going to look into the future of Canada's aircraft production, now is the time to set up what I here recommend. From what I know of Mr. R. P. Bell, and what I have heard from the industry, I have the highest regard for him, and I believe him to be a very fine chap. He is well thought of by the industry in general and he probably would make a good man. I certainly think we should have something of this kind. This would result in the elimination of the Canadian Associated Aircraft Limited and Federal Aircraft Limited in their presently constituted forms. I do not think it would require any great change. It would probably involve moving the engineering division of the Department of National Defence for Air to the new ministry. I think we can easily understand the delay which has been caused by the Department of National Defence for Air. They want to have everything up to the last minute. As the hon. member for York West (Mr. Adamson) said a few moments ago, sometimes these changes may mean restressing the plane from head to tail. The closest coordination should exist in that respect.

What do we need most in Canada to-day? Pilots are what we want. Planes are what we need to produce them. The Minister of National Defence for Air (Mr. Power) is quoted by the *Globe and Mail* of February 5, as saying:

> We know exactly how many thousands we want and we know exactly when we want them, so we ask them to come forward and be assured they will be told when they are required.

He said that in some training schools three advanced training planes were doing the work of four because there had been delays in the Canadian production of these planes. The minister then went on to say:

> Unfortunately I do not know why it has not been possible to produce these planes on schedule and I am not in a position to judge the delays, but one exasperated officer did tell me the other day that there are some manufacturers who were either damn fools or damn liars.

Why was that statement made? The minister wanted to impress the people of Canada with the necessity for airmen. Then in his speech he warned the people against complacency. But this is the part I do not like—he tried to throw the blame for the lack of aeroplanes upon the shoulders of the manufacturers. The industry did not promise, or if they did they made the promise under certain conditions—they wanted an adequate supply of material and component parts.

What type of plane is it most necessary to have in Canada? Should we build fighters or advanced trainers? What is the necessity in this country at the present time? What is the policy? How can it be arrived at, unless by having some form of ministry such as I have just outlined? There should be some central control to study this problem from time to time. I am told that a great many of the delays which have taken place in the past are on account of the failure of government agencies to do their part. It is this failure which has caused so much anxiety in the industry, and which caused them to make the recommendations they did on January 7, at the request of the acting minister (Mr. Macdonald). It seems to me that drawings for the Anson should be prepared by now. They have had a long time to prepare them. It seems to me that some parts should be under way.

When the Minister of Munitions and Supply (Mr. Howe) returned from England he sent out to the industry a letter of which we all have heard. That letter contained three questions which it was absolutely impossible for the industry to answer fully in a letter. The only way those questions could be answered properly was in a conference, and they so stated. The first question was:

> Will the taking of steps recommended in your opinion accelerate the production of Ansons in Canada and if so, to what extent?

They replied in the only way they possibly could by saying:

> Our opinion is as expressed in our recommendations of January 7, that the Anson production can be expedited in the manner outlined.

As to the degree of acceleration which would take place, they said:

> We have not sufficient information before us to answer this question with a proper degree of accuracy and—

Mark these words:

> —further, complete study of the present production plans of Federal Aircraft Limited and the de Havilland Aircraft Limited would be necessary before the tempo of this acceleration could be ascertained.

They said there would be acceleration, but they could not forecast as to the tempo without a conference. It must be remembered that these men in the industry who replied in this manner were practical manufacturers who had been engaged in the industry for a considerable time. They were not representing a new company like the Federal Aircraft

That company was never intended to do anything but design, and it had not done that job at the time. I notice the hon. member for Northumberland (Mr. Fraser) carefully skated around the question which was asked by my leader last night as to whether he approved of Federal Aircraft. Much to my surprise he said that he did not know anything about it, and therefore he would not talk about it. How could a man who made the speech he made last night and who was in the industry not know more about it than he did? I am sure he did.

The CHAIRMAN: The hon. member cannot challenge the veracity of a statement made by another hon. member.

Mr. ROSS (St. Paul's): I did not intend to challenge any statement, and I beg the hon. member's pardon.

The CHAIRMAN: The hon. member for Northumberland, Ontario, said that he did not know and the hon. gentleman now says that he knows that the hon. gentleman knew. That is challenging the accuracy of a statement made by an hon. gentleman.

Mr. ROSS (St. Paul's): I did not intend to challenge the statement, and I apologize. As I said before, these men asked that a complete study be made. Was anything ever done toward having a complete study made? The third question was as follows:

> As one of the contractors holding a subcontract for this production, what guarantee can you and your group give as to a date when substantial deliveries of Anson planes will be made, provided your recommendations are adopted?

How could they answer otherwise than they did? No guarantee of delivery dates could be given by the contractors because no schedule had been supplied by Federal Aircraft Limited to show when raw materials, A.G.S. parts, proprietary articles, castings, forgings and finished parts which were to be supplied by Federal would be available. How could they reply otherwise? The minister is reported on page 1128 of *Hansard* as follows:

> . . . "it depends on a lot of things." Well, so it does, but at least in connection with Federal we know on what it depends; we know the situation; we know what we can do. We have had an expert look at it, and certainly he did not recommend upsetting Federal. Nor did our own men, who were charged with the duty of investigating the matter, recommend that the contract be taken away from Federal. Certainly I would have acted on very slender information if at that time I had proceeded, on the opinion of five firms, all subcontractors of Federal, to suspend Federal and put ourselves in the hands of these subcontractors.

Did the minister not stand on slender ground when he did not take the opportunity of having these round-table conferences for a full discussion of the whole matter and take, as a matter of fact, the advice of the people who were in Federal and see the difficulties as they appeared to them? Certainly the minister should have had confidence in them. He said he was not going to be ganged-up on by his subcontractors, that he had never allowed that before and would not now. But subcontractors can sometimes be of great assistance to any contractor, as I think the minister knows. These men knew what they were up against. They knew the difficulties they were experiencing. They were clear-thinking, far-sighted men who were anxious to speed up the air training plan, and I am sure there was absolutely no intention of effrontery on their part. Even at this late date I think the minister should call a conference of these men and get to the bottom of the matter.

The one thing that upsets us is that up to now performance has been bad. Can it be any better? Certainly that question should be looked into. I have been informed that there are certain parts of the Anson plane which are 10 or 15 per cent manufactured and possibly more, awaiting further plans, specifications and material. I am informed that certain plans go forward to the contractors, with a list of materials ordered for the construction of the parts. The contractors go over the list and find that many of the materials required have not been ordered. They write back asking for information as to whether these parts have been ordered and what delay may be expected. Sometimes they have not even received a reply to their letters, and in other instances they have been told, when they asked when they might expect delivery, "When you get it." That is a situation which must be corrected.

Another difficulty is that there is a lack of technicians. Why not utilize the experience and the facilities of people who have been doing this work for so long? The main criticism has not been lack of production of a great many planes. The main criticism has been by the industry itself as to the prospect of producing Ansons.

The Minister of Munitions and Supply has a great deal on his shoulders. He has, as I said last fall in this house, altogether too much on his shoulders. He has tried to do too many things. He is the cabinet's liaison minister. He is general manager, minister and policy-maker in the most gigantic industrial programme Canada has ever undertaken. The Prime Minister (Mr. Mackenzie King) is responsible for this situation continuing. The Prime Minister himself should take hold of this situation and insist that a great deal of the weight be taken off the shoulders of the Minister of Munitions and Supply. I am

not the only one who thinks this should be done, and the blame lies both with the minister himself for trying to do as much as he is doing, and also with the Prime Minister for not taking action in this matter.

Mr. BRUCE: Mr. Chairman, in view of the refusal of the Minister of Munitions and Supply to accede to the request of the leader of the opposition this afternoon to lay on the table of the house the MacMillan report to which he referred on March 10, I venture to make a few observations.

In his report appearing in *Votes and Proceedings* of February 27, Mr. MacMillan, under the heading of "Ships", and speaking of the progress being made in the production of ships, says:

> Progress henceforth will depend upon (a) organization of expanded facilities, which can be done.

When the hon. member for Vancouver South (Mr. Green) referred to this matter in the house as reported in *Hansard* at page 1371, and challenged the minister with regard to this statement of Mr. MacMillan's, the minister replied:

> I wish Mr. MacMillan would be a little more consistent, because I have a report on my desk from him to-day declaring that labour cannot be found to operate the shipyards to anything like capacity.

In view of the minister's statement and in spite of what he said this afternoon, I submit that, in fairness to Mr. MacMillan, and in order to allay public apprehension with regard to the unfair attitude of the minister, it is only proper that the report which Mr. MacMillan made to the minister on March 10 be laid on the table. Mr. MacMillan is accused of having made contradictory statements in reports submitted on January 27 and March 10 respectively. As the same time he is refused an opportunity either of defending himself or of having all of his reports made public.

May I suggest, with all respect, that it is the minister's duty to defend his own staff, who, by their oath of secrecy when a conflict of opinion arises, are not in a position to defend themselves. When the minister publicly chastises one of his chief executives in the person of Mr. MacMillan, chairman of the war-time requirements board, for inconsistency in reports which he has submitted to him—

Mr. HOWE: When did I do that?

Mr. BRUCE: —the minister is raising in the public mind the suspicion that all is not well in the relationship between himself and Mr. MacMillan. One year ago the public were totally ignorant of the government's intentions with regard to Canada's war effort. But to-day the public are aware not only of the issues involved but also of the fact that the government has fallen down badly in meeting the requirements of a total war effort. In addition, the result of the activities of the past year in relation to the vast sums of money expended and contracts let, has created a great deal of disappointment in the public mind. Is it any wonder, then, that there is widespread doubt and scepticism with regard to the efficiency of direction and the general effectiveness of the government's efforts?

The minister has raised the question of shortage of labour. May I call his attention to the fact that the present government was in power during the time when labour was rusting and rotting through lack of facilities which the government ought to have provided to enable these men to remain efficient. These men were not only unemployed, but forced by the complacency and lack of constructive measures of this government to become unemployables. Returned veterans in their forties and fifties are not the least among those compelled to remain idle during that period, and are now numbered among those who are termed "unemployable".

During this long period the government were lacking not only in inclination but also in vision, and made no effort, or no effective effort, to grapple with this problem. They contented themselves with providing mere sustenance for those hundreds of thousands who, through no fault of their own, were forced to accept charity, instead of the work they were eagerly seeking. The minister of munitions is now an apologist for the utter neglect of these unemployables by his own government during the three years before the war.

Now that they are looking for skilled men, the government have created machinery in the form of an unemployment insurance commission, having as its object the care of the unemployed during the period wherein there is an actual scarcity of skilled labour. May I recall the fact that a similar measure was enacted by the Bennett government in 1935. The present government, however, preferred to fight this act in the courts, even up to the privy council, to prove that it was unconstitutional, rather than do the obvious and proper thing which they should have done if they were sincerely interested in the welfare of the working man, namely, secure the consent of the provinces and the British government to make this act constitutional. At that time of unprecedented unemployment a measure such as this would have been of the

greatest value. In other words, the government are at least six years behind schedule—and we have heard a lot about "schedule" in this chamber.

There was also the problem of young men leaving school, for whom there was no vocational training adequate to fit them for a job requiring skill. What did the government do during this long period for these young men but allow them to walk the streets and become a social responsibility? I grant you, Mr. Chairman, that a slight effort was made in the youth training programme.

Does the national registration, recently taken at a cost of nearly one million dollars, give any assistance to the minister of munitions in his quest for persons who have had experience in shipbuilding? The national registration was taken after we had been at war for nearly a year.

Mr. GOLDING: Mr. Chairman, may I ask the hon. member what he is reading from?

Mr. BRUCE: I am using some notes which I prepared myself.

Mr. RALSTON: Since this afternoon.

The CHAIRMAN: The rule is well known that no speeches can be read to the house.

Mr. BRUCE: I am not reading a speech; I am following my notes connectedly and consecutively.

An hon. MEMBER: He is singing it.

The CHAIRMAN: I should, however, like to point out that great latitude has been allowed hon. members, and I think that, unless a point of order is raised, I will allow the hon. gentleman to continue.

Mr. GOLDING: So long as we know what he is reading from.

Mr. HANSON (York-Sunbury): A piece of paper.

Mr. BRUCE: I am reading from pieces of paper on which I have jotted down certain notes which I am following fairly closely so as not to waste the time of the committee.

I was speaking of the securing, through national registration, of the names of those who were capable of assisting at shipbuilding. Would this not be more important to us at this time than to have the names of those who can milk cows? I think it will be readily agreed as to which would be the more important.

In view of the great shortage of labour, what effort is the minister making to take care of this situation? Should steps not have been taken months ago to have young men trained for this purpose? Even now should not schools—technical schools—be opened where young men could be trained in shipbuilding and various other things, in connection with the manufacture of munitions, to qualify them in a few months time to take their proper place in war-time industry?

In its latest report, the dominion bureau of statistics gives a survey of education in Canada for 1938-40. According to that report there are sixteen degree-giving universities. In 1939, there were 35,087 men and 13,118 women students, or a total of 48,205 proceeding to a degree. The total number of students in 1939, however, including those taking full-time, part-time, short courses, and evening courses, was 79,143 men and 37,599 women, or a total of 116,742. Surely the government should see the necessity of speedily providing facilities for the technical training of as many as possible of these young men and women, and as many as are needed to make up the deficiency in labour for munition plants. I believe I can confidently assure the government of the cooperation of the universities in giving their laboratories and other facilities for this purpose. I would suggest to the government that they ask the universities to advance their examinations this spring by one month so that these young men and women would be available by the first of April; and then, if conditions are so serious as to require their services in the autumn when the universities open, that they ask the universities not to open until this crisis passes. To my mind it is much more important that these young men and young women should be employed to the fullest extent in industry connected with the war than that they should be proceeding to a degree.

There is another class of students in the high schools and collegiate institutes, boys and girls over fifteen years of age. I have not been able to secure the total number of these students.

Mr. POWER: I will give them: 119,000 for 1935-36 in the secondary schools, excluding Quebec.

Mr. BRUCE: Thank you. According to the Minister of National Defence for Air, we have 119,000 boys and girls who would supply an emergency labour market. They could all be given intensive technical education. I am told that the technical schools in Toronto and elsewhere have the facilities for training many more students than come to them; but they require more teachers, and these teachers could be secured by certain exemptions from taking part in the present four months training plan.

In conclusion, I wish to say a word of commendation to the Minister of Munitions

and Supply, and to congratulate him for having secured the services of Mr. Joseph Pigott of Hamilton as head of the new government-owned company known as War-Time Housing Limited. Mr. Pigott is president of a very large construction company and has had wide experience in building of all kinds; he has exceptional organizing ability and is a man of the highest integrity. No better man could have been found for the job. I only regret to learn from the minister that this building project will be limited to war-time requirements and will not include the low rental housing plan recommended in appendix E to the Purvis report on unemployment, as these houses are so urgently needed. I trust, however, that the government will see the necessity for implementing this report as soon as the immediate requirements of the war are satisfied.

Mr. ROSS (Calgary East): In addressing this committee last Monday afternoon, I undertook to set forth some of Germany's methods of financing the war. Many people throughout Canada, and particularly in my province of Alberta, have been urging strongly that we should look to Germany and adopt some of her methods. I have, therefore, undertaken an examination of Germany's methods and wish to make a few more observations on them.

At that time I pointed out that in Germany more than one-third of the revenue, nearly one-half, was being raised by taxation, and quite a large part of the revenue has been raised by borrowing. They get a great deal of revenue by selling loot from countries that they have overrun. They are printing money very freely for use outside Germany in buying goods from the small nations that are afraid to refuse to sell goods to them. Within Germany their currency is fairly stable owing to fixed prices and control.

I now wish to read from the last report made by the governor of the Bank of Canada to the Minister of Finance. It is dated February, 1941. In this report the governor of the bank says:

> The truth is that German monetary policy has not been unusual. It has been simply an easy money policy of the sort which has been followed in many countries during the past decade. In Canada, for example, between January, 1933, and August, 1939, the total volume of money (i.e. coin, notes and bank deposits) was increased by some $750,000,000. International comparisons of the volume of money cannot be pushed too far since the velocity of circulation is an important factor, but it may be worth noting that on a per capita basis, the increase in the volume of money was about the same in Canada as it was in Germany, over the pre-war period. As for the period since the war began, the available information suggests that the volume of money has been increased considerably less in Germany than it has been in Canada, on a per capita comparison.
>
> A realistic appraisal of nazi monetary policy must, of course, take account of the very complete and rigorous system of direct controls which the rulers of Germany have imposed upon their people. For example, nearly every article of consumption is rationed, wage levels and farm prices are rigidly pegged down, and the operations of private business are "supervised" in minute detail. With such controls in operation, the immediate danger involved in an unduly large increase in the volume of money would obviously be less than it would be if the controls did not exist. The fact that the nazis did not resort to issuing new money on an exaggerated scale is all the more significant in view of the margin of safety which they might have expected their elaborate direct controls to provide.
>
> The policies which have been described above are those followed within the reich. In the occupied territories, on the other hand, the nazis have used the printing press deliberately as a means of plundering those areas. Instead of seizing goods the Germans simply bought them, paying with newly printed notes, and the people were robbed of purchasing power by soaring prices. This refined method of looting tends to hide the nazis' responsibility for resulting scarcities, and bears most heavily on sections of the population least able to endure it, thus helping to disrupt the economy and destroy the unity of the conquered people.

Hitler and his economic advisers have been most careful to avoid anything in the nature of inflation within Germany. Observers who have visited Germany tell us that Germany is fearful of another inflation; the people remember only too well the great inflation of 1923 and are fearful of a repetition of it.

Nazi war economy is based upon two factors: one being efficient exploitation of German labour and industry, achieved through crushing taxation, forced loans and ruthless regimentation of labour and capital.

The people of Canada will stand for heavy taxation; they may stand for forced loans, but I doubt very much if they would stand for the ruthless regulation of labour and capital that prevails in Germany. The Minister of Finance, in discussing this matter on November 21 last, used these words:

> The whole habits of thought of the Canadian people, the dislike of intensive and general government intervention in their personal transactions and private affairs, would make a universal system of price fixing and rationing, even if it were practicable in Canada, far more odious, I am satisfied, than a system of taxation and borrowing out of savings, which is the policy of this government. Every detail of our economic life would have to be controlled by someone sitting here in Ottawa.

I do not believe the people of Canada would stand for such rigid control.

The other factor in nazi war economy is an equally efficient and systematic exploitation of conquered countries, achieved by confiscation of foodstuffs, military supplies, raw materials and industrial facilities by forced labour and disguised robbery practised by the circulation of worthless currency. Hitler's first method is open to us if we are prepared to make the sacrifice; but currency inflation and social credit remedies have nothing to do with Hitler's success and can contribute nothing to our effort.

Mr. KUHL: No doubt the hon. gentleman who has just taken his seat intended his remarks, the last time he spoke, particularly for the benefit of the group with which I am associated, and no doubt he is expecting some comment from this corner. I think, however, it sufficient to say that I do not believe his argument needs any comment. I believe he has done a perfect job of refuting his own argument; consequently it requires no refutation from this corner. For example, the hon. member in his speech the other day suggested that we in this corner have advocated financial methods which do not involve increased taxation and increased borrowing. Then he proceeded to prove that Germany has used practically nothing but taxation and borrowing methods, and he drew his conclusion in this sentence:

> Apart from taxation, most of Germany's financing has been done by borrowing.

I think it should be obvious to anyone that the hon. gentleman has refuted his own argument, and it requires no further comment. With regard, however, to the subject of the financial methods to be used in connection with Canada's war effort, if the hon. gentleman will keep his ears open I think I can supply him with all the information he desires as to the social credit point of view.

I dislike being critical, and I wish circumstances to-day were such that I would feel obliged to present the government with one verbal bouquet after another. I have, however, sat here patiently and have listened carefully to all the criticism that has been offered with regard to government policies, not only by the opposition but by supporters of the government as well; and I must say that, as a result, from the point of view from which I wish to discuss this measure, I cannot be anything but critical of the government's policy. I say that notwithstanding what was said the other night by the Minister of National Defence (Mr. Ralston) with regard to the duty of members of parliament to develop a war spirit and morale in this country of ours. At page 1442 of *Hansard* the minister made this statement:

> We have a lot to be thankful for in this country, and very little to grouse about after all—

I agree with the minister that we have a lot to be thankful for, and we are thankful. We in the opposition are just as thankful as the minister is, and I believe that applies to the people of Canada also. We admire the British people for the courage they have shown in meeting the dangers with which they are faced, and I am sure all the people of Canada will gladly make all the necessary sacrifices they may yet be called upon to make in this great struggle. Nevertheless I suggest to the Minister of National Defence that to compare conditions in Canada with conditions in Britain certainly is no answer to the criticisms that have been offered as to government policy. To say that we ought to be satisfied with unnecessarily unsatisfactory conditions in Canada because the British people are in daily fear of their lives is, in my opinion, illogical reasoning. To say that we ought to tolerate poverty and insecurity in the presence of not only potential but actual abundance in this country appears to me to be the height of inconsistency. I should like to tell the minister candidly that I think his basis of comparison is entirely wrong. What we should be comparing is the conditions that could obtain in this country as contrasted with those that do obtain to-day. I consider this the only fair basis of comparison.

The minister spoke of developing a war spirit and strengthening the morale of both the civil and soldier population of Canada. I agree entirely that this is essential; but surely it must occur to the minister that the most effective way of creating a stronger morale and war spirit is to see that the people of this country get justice. I am satisfied that if, in Canada, every available man-hour were being used, at remunerative wages, and if conditions were such as are physically possible, there would be very, very little by way of criticism of government policy, either from the people or from the opposition in this house.

So far as government policy is concerned, I believe there are some obvious inconsistencies in the statements which have been made by the various ministers, and I should like to draw attention to statements of policy by the Minister of Finance (Mr. Ilsley) and the Minister of Munitions and Supply (Mr. Howe). On several occasions we have heard

the Minister of Finance state that the only limit to be imposed upon Canada's war effort was the physical, mental and moral capacity of Canadians to bear burdens. I believe that is almost exactly the statement made by the minister. Personally I agree that this is the limit of what Canada can do. On the other hand we have the Minister of Munitions and Supply saying that we are unable to do certain things because we cannot afford the cost. As reported at page 916 of *Hansard,* when the matter of building ships on the Pacific coast was under discussion, in replying to the hon. member for Vancouver South (Mr. Green) the Minister of Munitions and Supply made this statement:

> No one is more anxious than I am to distribute plants, but when a study of plants is made, either for British account or for Canadian account, there are certain requirements that must be taken into consideration, and one of these is power—the source and the cost of power.

I am rather at a loss to understand what the Minister of Munitions and Supply means when he suggests that one point to be taken into consideration is "the cost of power." Surely he cannot mean that we are lacking in the physical cost required to set up power plants and to develop power. Obviously he must have had reference to the financial cost.

On the one hand, the Minister of Finance contends that there is to be no limiting in the financial realm, and that the only limitations to be imposed are physical; yet, on the other, we have the Minister of Munitions and Supply stating that we cannot build ships because of the costs involved. Obviously there is an inconsistency between the statements of policy of the Minister of Finance and the Minister of Munitions and Supply.

If we can judge from the last words in the recent speech of the British Prime Minister, upon which occasion he concluded with a plea for the tools of war, certainly materials are needed. If those materials are needed and we in Canada can provide them physically, surely we ought to provide them, regardless of how much effort and physical material go into their production. Yet the Minister of Munitions and Supply has said that we must consider the cost. I say to the government that unless Canada is making use of every available man-hour and every ounce of material, Canada is not making her maximum war effort. I challenge any of the ministers, including the Minister of Finance and the Minister of Munitions and Supply, to refute that contention. I believe very little examination and effort is required to find that Canada is falling far short of what she is capable of doing, either in her war effort or in her domestic effort.

We have corroboration from the government side of the house, as well as the opposition side, for the contention that there are thousands of man-hours available in Canada—yes, literally thousands of man-hours going to waste. Nevertheless the government has the effrontery through its ministers to contend in the House of Commons that Canada is making her maximum effort. Furthermore, much more training of unskilled labour could be done. If these labourers are not required in industries, certainly they should at this time be prepared to take their place in industrial occupations. If we should happen to run short of manpower, surely it would be a simple matter to obtain help from across the boundary line, where they have many thousands of idle men.

In addition, we have available an enormous number of man-hours in undeveloped water power. At a point later in my speech I shall place on *Hansard* some statistics to indicate our great potential resources of electrical energy which have not been put to use. In passing, however, may I point to some statements which have been made by hon. members on the government and opposition sides of the house which would indicate that we certainly can afford the real cost of making a great contribution to the war effort, and at the same time take care of our domestic requirements.

The hon. member for Trinity (Mr. Roebuck) is reported as follows at page 858:

> It seems to me that the nervousness over this proposed appropriation arises from the fact that we are talking in terms of money instead of in terms of goods produced. That is why fear grips the hearts of many people and why we are wondering whether this effort will be successful.

The hon. member for Humboldt (Mr. Fleming) made reference to the speech of the hon. member for Trinity, and made this further observation, as reported at page 1309 of *Hansard:*

> The war appropriation bill now before the committee of the whole contains figures so enormous that sometimes one is likely to conclude that such figures are beyond the human resources of this nation. In the early days of this debate the hon. member for Trinity explained forcefully how these figures mean very little. He pointed out that, after all, only goods and services really matter, and that it is goods and services which constitute the real wealth of this nation.

Then this point is made by the hon. member for Vancouver South (Mr. Green), as reported at page 918 of *Hansard:*

> I am told there is no reason why we could not be building at least fifty merchant vessels on that coast. At the present moment I believe there are contracts for eight.

Again, we have the hon. member for Shelburne-Yarmouth-Clare (Mr. Pottier), who, speaking of a company which had turned down contracts for building ships of larger proportions than they were in the habit of building said, as reported at page 1382 of *Hansard:*

It is not a type of ship beyond their powers of construction, nor a type for the construction of which they do not have the necessary mechanics or material.

Here, again, we find an hon. member on the government side of the house saying, in effect, "We have the materials; we have everything with which to build these ships." Yet the ships are not being built. If the physical resources are there, why are the ships not being built?

Then, at page 1409 of *Hansard* the hon. member for Fraser Valley (Mr. Cruickshank) is reported to have said:

. . . notwithstanding any information to the contrary that may have been given to the minister . . . we have between one and two thousand skilled labourers out of work.

Again, speaking of the city of Vancouver, he made this further statement, as reported at page 1410 of *Hansard:*

It cannot be disputed that we have skilled labour available as well as eighteen thousand unskilled labourers in Vancouver and the surrounding district.

Therefore, from the mouths of hon. members themselves it is indicated that much more is physically possible in Canada. It has been shown that after eighteen months of war endeavour, there are still thousands of man-hours going to waste, and millions of tons of materials not being used. Surely, so long as that position obtains, the government cannot contend that Canada is making her maximum war effort.

I said a moment ago that if we should happen to run short of labour we have, as a substitute, plenty of undeveloped water-power resources, and that there should not be any lack of power. In several of his speeches the Minister of Munitions and Supply remarked that one of the problems was to get a source of power. I have made a study of the statistics in the "Canada Year Book" to ascertain just how much potential electrical energy there was available to the people of Canada, if they chose to develop it. The figures are remarkable and I shall give a brief summary of my findings. According to the "Canada Year Book," the total turbine installation possible is 43,700,000 horse-power, but the development at the present time is only 18 per cent, or 8,740,000 horse-power. This leaves a remainder of 35,000,000 horse-power still to be developed. If we translate that into man-power on an eight-hour day basis, that would provide 1,050,000,000 man-power on an eight-hour day basis. If we developed only 25 per cent of our potential water power, it would provide an additional 262,500,000 man-power on an eight-hour day basis. That is something which should receive consideration. What arguments can be offered to prove that we could not have more electrical power in this country? We have hosts of unemployed people; we have the gravel and the cement; we have practically all the materials necessary to build power plants. Why are these things not being done? Why are power plants not being built? Why is this idle labour not being applied to the resources of this nation? I could go on to point out how in different provinces there are great potential reserves of electrical energy waiting to be liberated.

There is another thing which we cannot overlook in our production methods to-day. It is physically possible to produce at a greater rate and turn out more products per man-hour of effort than it was in the last war I have a few statistics on four branches of our economy. The number of units produced per man-hour has increased enormously since the last war. With one man-hour we can produce tremendously more to-day than we could during the last war. In the agricultural industry, for instance, there has been a 64 per cent increase in the unit production per man-hour; in iron and steel there has been a 35 per cent increase; in cotton goods, 27 per cent, and in boots and shoes, 25 per cent. We do not require the same number of man-hours in this war to produce the same amount of equipment as was required in the last.

There is nothing lacking in this country from a physical point of view to put forward a most energetic war effort, as well as to take care of our domestic requirements. I would say that the only thing that is lacking is some backbone on the part of the Minister of Finance and the government. I should like to give a few statistics from the "Canada Year Book" with regard to the physical resources of this country. There is no lack of them to take care of our part of the war requirements as well as our domestic requirements. On page 305, I find the following statement in connection with iron:

Iron ore occurrences are numerous and widespread in the dominion.

I find the following statement about zinc on page 304:

Domestic requirements normally absorb only a relatively small portion of the production. As the production can be substantially increased, the Canadian zinc mining industry can furnish large supplies for war purposes.

The following as to copper is found on page 303:

The Canadian copper mining industry is therefore in a position to make a major contribution to the copper needs of the overseas allies in addition to taking care of domestic requirements.

And on page 305, the following about nickel:

The Canadian nickel producers are, therefore, in a position to provide ample supplies of nickel, both in refined and unrefined forms.

Coal needs no comment, but I observe this statement on page 306:

Though possessing an abundance of coal reserves, Canada has always drawn a large part of its requirements from foreign sources.

Incidentally I understand that this amounts to about $20,000,000 in the case of bituminous coal. If we want to conserve exchange, I see no reason why we should not use Canadian coal to meet our bituminous requirements. The question of freight rates will come up, but what do we lack in this country from the physical point of view in order to transport coal anywhere in the country? Have we not enough railway equipment? If not, what do we lack in order to produce the necessary railway equipment? We have thousands of men who want work; we have thousands of tons of material available. Again and again the Minister of Finance has said that the only limits that will be imposed on Canada's war effort—and this must apply to her domestic effort as well—are physical limitations. Even though that statement represents an expression of the policy of the government, it is certainly not being carried out. That point is substantiated by a statement of the Minister of Munitions and Supply, as well as by statements of other members on the government side.

We must ask ourselves: Where is the hold-up? Why are men not being permitted to produce more materials, more ships, more guns, more of everything that is required in the war effort? Why are not the hours of labour which are not required in connection with the war effort being used to increase the supplies of our domestic requirements? If these man-hours are not required for war purposes, what reason is there for their not being employed for the production of domestic requirements? The only conclusion that I can reach is that, in spite of what the Minister of Finance said was the policy of the government, Canada's war effort as well as her domestic requirements are being held up because of our financial policy.

In order to show that this is the situation, I should like to quote a few statements which have been made by members of this house. I have indicated already that the Minister of Munitions and Supply has said that power plants could not be erected or steel could not be transported from the east to the west because of the cost involved. Surely he must be thinking only of financial costs. Surely he would not suggest that we have not the physical resources to ship steel to the western coast and bring it back in a manufactured form. On March 10, 1941, the hon. member for Shelburne-Yarmouth-Clare was pointing out how certain contracts had been turned down. He went on to say that this was not because these people did not have the men, the material or the equipment. He is reported on page 1382 of *Hansard* as follows:

It is not a type of ship beyond their powers of construction, nor a type for the construction of which they do not have the necessary mechanics or material.

Mr. Hanson (York-Sunbury): It was beyond their financial capacity.

Mr. Pottier: Yes, their financial capacity was lacking.

There is a definite statement by the leader of the opposition that there was a lack of financial capacity, that the financial side of it had failed. The Minister of Finance has said that the war effort is not going to be held up because of a lack of finances, but here are his own supporters saying that contracts were turned down because of lack of finances.

Yesterday the hon. member for Northumberland (Mr. Fraser) endeavoured to make some points in order to show why the aeroplane industry had not progressed more favourably, and he made this statement:

To my hon. friends on the other side I say with respect—and with pity—that in the interests of Canada and the British empire it is too bad that we did not year by year, particularly in 1938 and 1939, get sufficient money in our estimates to be in a position to build up an aeroplane industry in this country.

It ill becomes a member of the government to hold the opposition responsible for not providing the money with which to carry on an aeroplane industry. It ill becomes them to suggest that we are responsible for that position. If anybody is responsible, it certainly is the government side. If there was any objection at that time on the part of anybody to increased appropriations for setting up an aircraft industry in this country, it was wholly and solely because under the existing financial policy there could have been only one natural consequence, and that would have been a further reduction in the already too low standard of living. The only source of funds which the government had been using, and is still using to a large extent, is an increase in debt and an increase in taxation. I contend that if the government

had pursued the policy which they proclaimed to the people in 1935 they were going to adopt, an aeroplane industry could have been established at that time or even earlier without increasing debt or taxation, and I challenge any member of the government to refute that statement. There, again, was an indication that it was purely a lack of money, and not a lack of physical resources at all.

In summing up my argument, I should like to indicate briefly four reasons why I am opposed to the principle involved in this resolution. First, I want to make this comment on the principle. I am very much disappointed that so little attention has been paid to this extremely important matter of finance. I agree that the matters which have thus far been discussed, particularly those relating to the Department of Munitions and Supply, have all been important, but they have been discussed out of all proportion to the importance of the principle involved in this measure, which is the borrowing from a financial monopoly in this country, of money with which to finance the war as well as the domestic effort. This question should be discussed much more fully, and this debate should not conclude until this angle is given a thorough airing. I believe we ought to have government members as well as those on the opposition side taking part in a discussion of the principle of borrowing, and whether it is necessary. I believe that the questions which were put by the leader of the opposition (Mr. Hanson) the other night should be answered by the Minister of Finance so that we may know exactly how this money is going to be raised.

I am opposed to the principle involved in this resolution, first of all, because it still denies the government the right, which is a crown prerogative, to create in the first instance the money of the nation. I consider it, as I have stated in the past, a capital crime that a private monopoly should usurp and exercise as it is doing to-day this government prerogative. According to the statement made by the Minister of Finance in this house, the chartered banks of this country were permitted to create approximately $500,000,000 of brand new money. The money which was obtained from the chartered banks was not the people's savings. It was absolutely new money, additional supplies of money over and above what was already in existence. That, I maintain, is a usurpation of the prerogative of the crown. For that function the Bank of Canada should be used. All of the money asked for in this resolution over and above what is raised by taxation should be obtained from the Bank of Canada at cost.

The second reason why I oppose the principle of the resolution is that it prevents the Canadian people from making the maximum contribution to Canada's war effort. The sum asked for in this resolution, if it reflected the potential possibilities of this country, should be double or treble this amount. The thing I quarrel with is not the amount asked for, but the principle under which the money will be obtained. Further, I contend that there is no relationship between the government's financial policy and the productive capacity of this country—and there should be such a relationship. The purpose of a financial system and of a financial policy, so far as my understanding of it goes, is that the financial policy shall reflect the physical possibilities of a country to produce and consume, and the fact that we have thousands of idle people, thousands of idle man-hours, and thousands of unused tons of material, is proof that there is no relationship between the financial policy of the government and the physical facts of this country.

The third reason why I object to the principle of the resolution is that it demands of the people of Canada absolutely unnecessary sacrifices. I agree that if sacrifices are necessary to win this war we must make them; but I do not agree that we should call upon the Canadian people to make unnecessary sacrifices, and I contend that the government's policy is calling upon the people to make unnecessary sacrifices. Surely in a country which is so potentially wealthy as Canada, it is not necessary to reduce the standard of living of the people. Surely it is obvious that people can do their best only when they are at their best, when they have healthy bodies and healthy minds. We have resources enough to see to it that all our people have balanced diets and, as a consequence, are healthy in body and mind. To those who say we must sacrifice, sacrifice, sacrifice, I say: Stand up and name the things we should deny ourselves. What articles of food, what types of clothing should we deprive ourselves of?

Mr. CASSELMAN (Edmonton East): How about liquor?

Mr. KUHL: The hon. gentleman can probably speak with more authority about that than I can.

The leader of the opposition in one of his earlier addresses said that we should pare down the estimates more. I should like to know why, and particularly why we should pare down the social service estimates. I

suggest that they should be increased and increased to the point where the Canadian people are able to enjoy exactly what they are able to provide in the way of physical energy and material.

Lastly, I object to the principle involved in this resolution because it builds up a fictitious and unreal debt. The Minister of Finance has said that the policy of the government is a pay-as-you-go policy. I should like to know why, if it is a pay-as-you-go policy, there is any debt in connection with it. What do we owe and to whom do we owe it? The minister himself has said that the cost of the war is paid for substantially as the war progresses, and the statement has been made again and again that the cost of this war is blood, sweat and tears. These things certainly are provided from day to day as the war progresses. I know of no other costs that are involved in a war. The minister himself has admitted that these costs are met from day to day as the war progresses. Then, in the name of common sense and justice, I should like to be told and the people of Canada would like to be told, "What do we owe if we have paid for the war from day to day in blood, sweat and tears, and to whom do we owe it?" That is a pertinent question, and I should like to hear some members on the government side, and particularly the minister, discuss it.

So far as banking costs are concerned, are they not in the same category as physical costs? What is the cost of operating our money system? In the main it is paper, ink, clerical work and depreciation that is involved in operating the money system. What is cheaper to run than a banking system? I challenge any of the hon. members who smile, to indicate what more there is about running a banking system. Those costs are provided each day as the money system is conducted. Therefore, all costs in connection with the war effort, banking costs as well as physical costs, are met from day to day. What will hon. members suggest we owe when the war is finished, and to whom will we owe it?

In conclusion, Mr. Chairman, because this measure still denies the government the right to exercise the crown prerogative—

The CHAIRMAN: I am sorry to have to remind the hon. gentleman that he has exhausted his forty minutes.

Mr. KUHL: If the committee will permit me; I am just on my last sentence, and if I can have time to complete it I will sit down.

The CHAIRMAN: By unanimous consent.

Mr. KUHL: I was endeavouring to say—because this measure still denies the government the exercise of the crown's prerogative; because it does not permit a maximum war effort or domestic effort; because it demands unnecessary sacrifices; because it builds up fictitious debt, obliging the people to pay several times over financially for what they have already paid physically, I consider that the principle involved in this resolution, of borrowing our own financial credit from a money-lending monopoly to the point of national bankruptcy, is not only unpatriotic but extremely inimical to the best interests of the Canadian people.

Mr. GILLIS: I have sat here for the past two weeks listening to the measure now before the committee being discussed, and I have heard so many different financial theories advanced that, as an ordinary worker, I am left a little bit dizzy. Since the hon. member for Rosetown-Biggar (Mr. Coldwell), the acting leader of this group, has placed before the committee the considered opinion of this group on the financial aspects of the measure, about all I have to say on the matter is to extend my sincere sympathy to the Minister of Finance (Mr. Ilsley), whose job it is to juggle figures at the present time and run the finances of the country.

Mr. JOHNSTON (Bow River): Does the hon. member not think that the people need a little sympathy?

Mr. GILLIS: I am not going to occupy any more time this evening than I have to. First, I should like to comment on a question which I asked the Minister of Mines and Resources (Mr. Crerar) on Monday of this week, as set out in *Hansard*, page 1359. My question was based on a letter I received from a mine workers' union situate at River Hibbert, Nova Scotia, informing me that a mine operating in that section at the present time would be closed on April 30. That organization had sent a delegation to the provincial department of mines, asking if anything could be done to keep the mine in operation. There are 110 men employed; and at the present time, according to the letter I received, they are paying national defence tax, contributing to a Spitfire fund, and subscribing for war savings certificates—which means something financially to the country at this time. According to my information, the market for that coal is the railways, and that market has certainly not disappeared. In answering my question, the minister stated:

> I do not know of any action which the federal government could take to compel a mine to operate in the province of Nova Scotia. As my hon. friend knows, the mines of Nova Scotia are under the control of the provincial government.

The leader of the opposition (Mr. Hanson) then rose in his place and said:

But you have taken authority under the War Measures Act to do this very thing. What is it for?

The Minister of Mines and Resources replied:

I might refer to the observation of the leader of the opposition, who has hastened to the rescue of the hon. member for Cape Breton South. I do not know anything about the particulars of this mine. I should assume that if the provincial government, who are familiar with the operations, thought it was not advisable to maintain the mine in operation, their judgment would probably be sound. In any case I do not think it will affect the volume of coal that will be moved from Nova Scotia to other parts of Canada, whether the mine remains open or is shut down. There is plenty of coal available to meet the requirements that can be moved at the present time.

With respect to the minister's statement that the leader of the opposition hastened to my rescue, I do not think I was in any difficulties on that occasion, nor do I believe that there will be any necessity in future for anybody to rescue me; there has not been in the past. I endeavour to speak only about matters of which I have some knowledge, and I resent the minister's remark because it would lead anyone reading *Hansard* to suppose that I was floundering here and unable to take care of myself.

Mr. MacINNIS: It was the Minister of Mines and Resources who was floundering.

Mr. GILLIS: As to there being no market for coal, I believe that the reverse is true. According to an order in council set out in sessional paper 2208, in answer to a question placed on the record by an hon. member, it is stated in the second paragraph:

Owing to the large traffic movement to the Atlantic seaboard the annual coal consumption of the railways has greatly increased, and it is most desirable at this time that the railways shall be assured a supply of coal adequate to their requirements.

It goes on to state that an inquiry is being made at the present time at Minto, New Brunswick, to see whether there is not a possibility of stepping up coal production in that particular mining section in order to meet the requirements of the situation, and setting out that an adequate supply of coal must be maintained for the railways.

As I have said, according to my information, in the section I speak of their market is the railways. Therefore, in view of the fact that their market has not disappeared, and that the minister and the federal government have the authority under the mobilization act to continue the operation and to assume jurisdiction in this particular case, if the mines department of Nova Scotia are not prepared to accept their responsibility, why should the federal government not step in? According to the letter I received, that mine is down about 2,500 feet. It is only a matter of developing their slope to the next lift, drifting along probably 250 feet or 500 feet, tapping the seam lower down, and continuing the operation. If that is a true indication of the situation at the present time so far as coal is concerned, I see no reason why the federal government should not make at least some inquiries into the matter of preserving the means of livelihood for 110 men and their families in that section, who are making every reasonable contribution to the war effort. I leave that to the minister, feeling sure that he will do what he can with respect to that matter.

I listened here a couple of nights ago to several hon. members from Nova Scotia stressing the necessity for the creation of a shipbuilding industry in that end of the country. I join with them in that request. I have endeavoured on every occasion when I have had the privilege of addressing this house to bring to the attention of the government the necessity for the creation of some industry in Nova Scotia other than coal mining. I know that coal mining is on the wane in that province; the older mines are folding up; there has been no expansion of the industry for the past fifteen years, and I do not think there is going to be any. Something must be done to take up the slack in employment caused by the fall in the coal mining industry.

I would judge from discussion and press reports and resolutions that I am receiving from that part of Canada, that there is at the present time a well organized movement in Nova Scotia to bring forcibly to the attention of the government the necessity for something being done there. In that connection I received to-day from Mayor G. B. Slaven, mayor of Sydney, Nova Scotia, who is acting as chairman of an organization set up in Cape Breton island, a resolution, to urge that question upon the government. The resolution is lengthy, and I shall not read it all, but one of the paragraphs states:

Whereas a great number of industries are being established which are not classed as war industries and while being used to render assistance in this war, yet will remain as a permanent industry after the war—

It goes on to state that it represents the considered view at a meeting of that entire section at which every town on the island was represented, including representatives from the municipal councils.

I would assume from what I have heard that it is the intention of the government

to do something along this line in that part of the country. In that connection, I called the attention of the Minister of Munitions and Supply to something that I would again like to bring to his attention. On February 28 I asked him, as reported at page 1116 of *Hansard*, a question as to whether it was the intention of the government with the cooperation of Dominion Steel and Coal to utilize the plate mill that was built there during the last war at a cost, I think, of some $11,000,000, the government having subsidized it to the extent of $4,500,000. I do not think the mill ever went into production. Most of the machinery in that mill has been taken away, I presume moved to somewhere in Ontario; my information is that it went to Ojibway, but I cannot say whether that is true. The reply of the minister at that time was quite lengthy, but the latter part stated:

. . . but we are studying the question of installing additional primary steel capacity at Dosco—that is, more open hearth capacity—and I hope a decision on that question will be made early next week.

According to a press dispatch, the minister has not anything to hope for in that direction. A dispatch of February 27 quotes Mr. Arthur Cross, president of Dominion Steel and Coal company, as stating that the steel plant was operating at 100 per cent capacity, but that there will be no plant extension for the coming year.

I would judge from the minister's answer to me that it is necessary at this time to expand that steel plant in Sydney. Mr. Cross' statement, however, definitely says there will be no expansion. That question received some publicity. If Dominion Steel and Coal company are not desirous of operating that plant, and if its operation is essential to Canada's war effort, as was indicated by the minister's answer, there are other people who are interested in that plant and may make use of it. I have a letter here from the Anglo-French Development Corporation Limited of Montreal stating that they are interested in that plant, that clients of theirs from overseas are endeavouring to take over in this country plants that can be put into war production, and that they are interested in that plate mill in Sydney. I replied, referring them to the heads of that corporation, suggesting they get in touch with them. The date of this letter is March 1; it went to Sydney and was relayed back to me. To-day I had a letter from the same corporation thanking me for the information and addresses given and saying that they were immediately getting in touch with these people with the end in view of utilizing that plate mill. By virtue of the fact that the Canadian people have an equity in that mill to the extent of $4,500,000 given to the corporation during the last war, it should be the government's prerogative to do something with it. I trust the minister will think that over and endeavour to make use of that mill. If a steel shipbuilding industry is to be developed in Nova Scotia, that mill will certainly be needed. There is also a comment on that matter in the Toronto *Globe and Mail*. A statement by one of their regular correspondents reads:

Why not recondition the Dosco plate mill?

They go on at length to point out why that should be done. Therefore the general public is interested.

Commissions have sat from time to time examining the industrial life of that part of Canada and have reported on its economy, its place in confederation with relation to the development of the rest of Canada. I should like to quote a few excerpts from the submission made by the Nova Scotia government to the commission on dominion-provincial relations. The present Minister of National Defence for Naval Services (Mr. Macdonald) was premier of that province at the time. I think this brief was drafted by the late Minister of National Defence, Hon. Norman Rogers, and it sets out clearly the situation in which the maritimes, and Nova Scotia particularly, find themselves at the present time in relation to the rest of Canada. They certainly have not been treated as part of the Canadian family. The position is stated much better in this brief than I have seen it anywhere else. I shall quote just an extract here and there from this brief between pages 51 and 55. They say:

In the last decade between 1920 and 1930 the decline of manufacturing in Nova Scotia became more pronounced. In Ontario and Quebec (central Canada) capital invested in manufacturing increased from $2,696,000,000 to $4,158,000,000; the number of employees increased from 487,000 to 512,000, while the gross value of products decreased slightly.

Then further:

Ontario and Quebec are the most important manufacturing provinces of Canada. Their combined production in 1930 amounted to $2,735,000,000, or nearly eighty per cent of the gross value of manufactured products of the dominion.

Those figures are taken from the "Canada Year Book", 1933 Further it says:

Ontario and Quebec account for almost eighty per cent of the total capital invested in manufacturing in Canada.

That is also from the 1933 edition of the "Canada Year Book". Again it says:

Out of the total male wage-earners, numbering 431,463, and the total female numbering 120,033, 47·1 per cent of the former and 46·2 per cent of the latter were employed in Ontario.

Quebec manufacturers reported 30·4 per cent of the total males as compared with 39·6 per cent of the total females. As to earnings, Ontario firms paid out 49·5 per cent of the total wages in Canada, and Quebec 29·8 per cent.

Further on it states:

It will be seen that while manufacturing has increased in Canada as a whole by, say, twelve times since confederation, the increase in the maritimes has been about four times.

And further:

Between 1871 and 1931 the number of employees in manufacturing in Nova Scotia increased by only 580, or by 3·7 per cent. In the same period the number of employees in manufacturing in Canada as a whole increased from 187,942 to 557,426, or by 197 per cent.

This document goes on to set out some very good statistics. I have no intention of reading them, but I should like to read the concluding paragraph; coming from these people, I think it is very good. If I were to use it, or if it were to be used by the hon. member for Rosetown-Biggar, we would be considered socialists:

It is asserted as a general principle that industries in Ontario and Quebec have natural advantages of situation in relation to raw material, labour, force, and markets which enable them to take full advantage of the so-called economies of large scale production. We are asked to believe that these economies of large scale production will enable an industry to protect itself more adequately from foreign competition, and are passed on to the consumer, either in part or in full, through lower prices made possible by the lower cost per unit of the commodity manufactured. Whether such economies are thus passed on to the consumer in many cases is open to grave doubt. It will depend on the reality of internal competition, and the Canadian industrial field is so narrow as to raise serious misgivings as to the extent of true competition in many lines of manufacturing. The existence of monopoly, trade combines, and friendly price agreements within the shelter of a protective tariff, is not always capable of positive proof, but that it exists over a considerable range of manufacturing is scarcely open to question. Undoubtedly, a substantial proportion of the economies of large scale production are not passed on to the consumer, but render possible a higher margin of profit for the industry and go into the safety deposit boxes of company promoters or the pockets of shareholders. Certainly the proportion of benefit that is returned to the people of this province is not substantial.

With that statement I am in absolute agreement. I leave these thoughts, as set out by the experts who drafted the submission to this economic inquiry, with the Minister of Munitions and Supply.

Just recently, another discrimination as far as industry in that end of the country is concerned was brought to my attention by a submission presented to a tribunal that has just finished probing miners' wages in Nova Scotia; I refer to the McTague board. In making their presentation to that board, the representatives of the miners brought to its attention the unfavourable treatment received by manufacturers of steel in that end of the country in connection with the bounty paid on coal. I should like to give their own words. They say:

We feel convinced that Dosco should receive at least as favourable treatment as the upper Canadian companies, which receive a drawback of 74 cents per ton on coal used for metallurgical purposes as against the 45 cents bounty received by the Dosco. If the latter did receive the same treatment then they could easily pay more for their coal to the Dominion Coal Company, thereby benefiting the coal industry and increasing its earnings and also developing and strengthening the coal industry of Canada. In general we submit the proposition which we feel sure is almost axiomatic that Canada needs a strong fuel policy. We further submit that to bonus foreign coal 74 cents and Nova Scotia coal only 45 cents is not in line with a national fuel policy.

With that statement I am in absolute agreement. I made it my business to get in touch with the Department of Trade and Commerce and find out exactly how much money was paid to importers of United States coal used for metallurgical purposes during the years 1939 and 1940. I find that to December 31, 1939, there were 498,760 tons of coal imported and used for metallurgical purposes, on which $246,886.18 was rebated to the importers. During the year 1940 there were imported for that purpose 769,289 tons, on which the rebate amounted to $380,798.03.

The McTague board has completed its inquiry into the question of wages. I have seen a press release with regard to the findings of that board, but I am not going to comment upon them at the moment. Certainly they are not satisfactory to me, but it is the business of the union to make an analysis of those findings before I have anything to say about the matter. I believe that the treatment received by manufacturers of steel in Nova Scotia is a factor in keeping down wages in the coal mines. I see no reason why the steel company in Sydney should not receive the same treatment as the Ontario manufacturers receive, and in my opinion that is something which should be taken into consideration.

The hon. member for Vancouver East (Mr. MacInnis) made a thorough analysis of the position of labour and its relation to our war effort. I do not want to repeat anything he said in that connection, but I am entirely in agreement with his views. With regard to conciliation boards, the minister seemed to resent the statement by the hon. member for Vancouver East that often the machinery set up for conciliation boards is too slow. I am

in absolute agreement with the hon. member for Vancouver East on that point. I have been twenty years in the trade union movement; and it is my belief that while this conciliation machinery may have served the purpose in peace time, certainly it does not serve the purpose to-day. I have seen the mining industry wait months for the setting up of a board.

I do not believe the Department of Labour takes a sufficiently strong stand in these matters. When a board is appointed, by not agreeing as to the chairman an industry can hold up the functioning of that board for months. Two or three times last session I drew the attention of the minister to a board that was attempting to function in the Acadia section of the mining industry. Several months elapsed before anything was done. That sort of thing does not help to create a healthy frame of mind as far as the trade unions are concerned. Personally I think that if the operators of industry are as much interested in prosecuting the war effort as we are led to believe by some of the statements made in this house, there should be no need to carry on a poll in industry by sections. For instance, the Dominion Steel and Coal company controls twenty-six subsidiary companies across Canada. If the government is going to make an examination of that company, wherever a dispute arises, section by section, it will involve the setting up of twenty-six conciliation boards. The setting up of each board will involve considerable cost to the country, money which could very well be utilized in these days in other directions.

I believe if industry are as much interested in prosecuting the war as they should be—and certainly they have something for which to prosecute it—then there should be a general understanding that when a probe is made and a board is set up, such board should make a thorough examination of the complete industry, including all the subsidiaries. It should bring about an understanding, set wages and get on with the job of prosecuting the war.

Instead of that, we have the present position where application is made for the setting up of a board. There is a disagreement at once about the appointment of a chairman, and the battle wages back and forth. All are in a bad frame of mind. Then, when the chairman is appointed, an examination is made in only one section of the industry, and on restricted terms of reference, thereby leaving an advantage in the hands of those who have an understanding of exactly how much of an examination can be made under the terms of reference. I suggest that this machinery must be speeded up, and that we must come to some understanding.

The hon. member for Vancouver East discussed the question of intimidation. Comparisons are sometimes made in this chamber respecting the position in England, and the attitude of government over there. We hear much about the stand labour has taken in the prosecution of the war. There is, however, a vast difference between labour in Canada and labour in Great Britain. Labour in Great Britain, from the point of view of social legislation, is, in my opinion, at least fifty years ahead of Canada. It enjoys, many, many privileges that we have not. Labour in Great Britain is organized at least to the extent of 65 per cent, while labour in Canada is organized to the extent of only 15 per cent. The main fight of labour to-day is for the right to organize, and for the recognition by industry of that right.

For the life of me I cannot understand why those who are engaged in industry and who are prosecuting the war, those who have something to lose from a failure to win the war, and who must realize what the situation is in Europe, are not alive to their own interests, and do not seem to realize that the greatest medium to-day of stabilizing their industry and putting it into a state of 100 per cent production lies in the recognition of the rights of the workers to sit round a conference table and iron out difficulties, instead of setting up conciliation boards and hammering at ministers of the government, who have plenty to think about without spending their time ironing out quarrels between industry and labour.

It took Hitler on the English channel to awaken the ruling classes in England to the necessity for a full recognition of the value of labour in the prosecution of the war. I am in hopes that it is not going to take Hitler on the St. Lawrence to awaken the captains of industry and the operators of monopolies in Canada to the necessity for full cooperation. Labour produces the sinews of war; in the final analysis, labour fights a war. With a situation such as we have to-day, I cannot understand why those in authority do not realize the value of sitting round a conference table, getting down to business and thereby relieving members of the government, who are charged with the responsibilities of their departments, from refereeing disputes between industry and labour in Canada to-day. I believe that if industry is engaged in an all-out effort, which means

the complete organization of all the Canadian people for the prosecution of the war, it ought to have sufficient intelligence to cooperate with that group which, in my view, is the major factor in the prosecution of the war—those who produce, and those who fight.

The Minister of Labour (Mr. McLarty) took exception to some of the statements made by the hon. member for Vancouver East. As a worker, I get around among the workers, and from what I learn I agree absolutely with what the hon. member for Vancouver East has said. He will hear and I will hear stories from people who will not come to a minister of the government, who will not approach the Royal Canadian Mounted Police or any other law-enforcement body on matters affecting intimidation and persecution. In many sections of industry in Canada, there is to-day much unrest, and much of that unrest is on account of the question of organizing.

I would draw the minister's attention to a matter which for some time has been in the slings. I have heard it stressed in the house time and time again that the great requirement of industry at present is that of securing the services of trained men. If my memory serves me correctly, on November 7 of last year sixty-three skilled workers at the Chrysler plant at Windsor, who were engaged in disputes, were thrown out of employment. Forty-six of those men were arrested, and paid about $9,000 or $10,000 in fines. They paid for breaking the laws of society, and according to my information, at least half of those men—and they were skilled men—are still on the streets. They have no jobs. They made application for changes in their registration cards, but those changes were not made, and as a result they are still registered with Chrysler. No other plant will employ them until they are released by Chrysler, with the result that since last November those men have been out of employment. I have received from the regional director of the union in that section a copy of an eviction notice. It would appear that one of those men was ordered out, and an eviction notice served on him. Here is a man who is walking the streets, thrown out of his home, at a time when men are necessary to industry. These are men who have paid the penalty for breaking the law. They have paid in the courts of the country, but they are being further penalized by the captains of industry, and in my opinion their only crime was that of exercising their democratic right to form a trade union.

I understand that from time to time the Minister of Labour has ordered these men back to work, and has made recommendations along reasonable lines, all of which have been ignored. I do not believe the responsibility is his, but I do suggest that contracts with all industries engaged in war production should carry a clause stating that workers should have the right to organize and to bargain collectively. That matter has been discussed from time to time in the house. I say to the Minister of Munitions and Supply, who has the prerogative of creating these industries, that if we are going to win the war we are not going to win it with kid gloves. The kid gloves must come off. Anybody in Canada who stands in the way of a proper prosecution of the war should be dealt with as an enemy of the state. Any organization which keeps skilled workers on the road to-day and refuses to release them to other sections of industry is certainly not cooperating in the prosecution of the war.

There are many points upon which I should have liked to touch, had I had the time. I would, however, draw the attention of the Minister of Labour to one further matter. To-day at the shipping piers in Sydney, Nova Scotia, there are ten men who have been blacklisted by a company for exercising their rights as union men. To-day they are on the road, and they have been on the road for the past five or six weeks. On different occasions the miners' union have approached the company, but have not been able to straighten out the matter. I have before me a brief prepared by executives of the union to be submitted to an adjustment board which has been set up in that province for the purpose of adjusting the grievance. The men in question had absolutely nothing to do with some trouble which developed there and which was being negotiated by the Minister of Labour and his conciliation branch. On several occasions I have met with the minister and have endeavoured to iron out that grievance. The minister was sympathetic, and he sent a conciliation officer down there to go into the whole dispute.

Before the conciliation officer arrived in Sydney, the strike developed. This was not called by the union; it was something that arose spontaneously in the wash-house, and it could have been organized on the outside by people not connected with the union. It certainly did not serve the purpose of the men at that time in view of the fact that they had been negotiating for two weeks and had a well established case. The union itself had legislated against the strike, and there are men on the road to-day who voted against any such action. They were active union men and, as such, they are on the road to-day. This is something I should like the Minister of Labour to look into.

I do not want to exceed my time limit, but I did want to leave these few thoughts with the committee as to the necessity of establishing other industries in Nova Scotia and the necessity for recognition of the rights of the workers to organize. We had a complete statement by the hon. member for Vancouver East on this matter. I hope the ministers charged with the responsibility of going into these matters will pay some attention to what I have said.

Mr. TURNER: Mr. Chairman, as you well know I seldom speak in this chamber, and I did not intend to speak on this resolution. I should, however, like to draw the attention of the committee to a point or two. In the first place, the resolution now before the committee was first introduced into the house on February 19 of this year. Wide latitude has been given to hon. members, and many have spoken who do not know the first thing about tanks, aeroplanes, guns and other implements of war, and who know less about their manufacture. Yet they talk and take up the time of this committee when we have a real war on our hands and a job to do.

This is not a school; it is a House of Commons where we are expected to impart knowledge to the house and to the country so that all may benefit. Many questions have been asked which mean nothing to our war effort but which have just delayed the progress of this house at this critical time. In my opinion, much of this has been done for purely political advertising purposes at the expense of the country. Perhaps some hon. members have not realized just what harm has been done by this useless talk. I should like to point out that permitting all this baseless criticism to go on has not helped our war effort.

While we have been talking, President Roosevelt to the south of us has put through his lease-lend bill. He has it signed, sealed and delivered and has started off already with seven billion dollars. He has already given the United Kingdom ships and other help, while we are simply talking and doing nothing. The senate was summoned here, but had to go back home because there was no work to do, even in war time. This does not leave a very good impression upon the minds of the people and it certainly does not help our war effort. The President of the United States has stolen all the thunder and applause and the headlines, and he certainly deserves them. They were working there while we have been idle.

This performance of ours has had the kind of effect upon our people that one would expect. It has been much like this: They say, "they are just wasting their time and our money down there." This must be changed. All this may have a still more serious effect and become quite noticeable when the Minister of Finance (Mr. Ilsley) launches his loan for some billion dollars or less, made necessary by this very resolution which has been before the committee for nearly one month. I do not think this delay will help our war effort at all.

Therefore I sincerely ask all members of the committee to tighten up and get down to real business, to realize that there is a war on and get this House of Commons geared up to a war-time basis. After all, this chamber should be the very pulse of our nation at this time. Our people expect it, but they certainly are not getting it. This is all I have to say.

Mr. HAZEN: Mr. Chairman, I want to take this opportunity to ask the Minister of Munitions and Supply (Mr. Howe) and through him, the government to provide more industrial plants and allot more contracts for munitions and supply to New Brunswick.

I have received each week since June last from the office of the director of public information a circular setting out the contracts awarded for materials and supplies. These run into the millions of dollars. I have examined these statements and have been surprised and disappointed at the small number of contracts allotted to New Brunswick. The name of Canada Packers Limited appears frequently in the list of New Brunswick firms having received contracts, but this is not a New Brunswick company. In making a comparison between the contracts let in New Brunswick and those let in other provinces, the contracts given to this firm should not be considered. I ask that in future this error be corrected.

I receive also regularly from the director of public information another circular giving the construction contracts awarded by the Minister of Munitions and Supply. These also run into millions of dollars. I have examined these circulars and have been surprised and disappointed at the small number of contracts awarded to firms in New Brunswick.

Rightly or wrongly, and I believe rightly, the people of New Brunswick believe that they have not been treated fairly in the matter of these contracts. When they read week after week of the thousands of contracts that have been awarded by the dominion government and see that only a few have been given to New Brunswick, they are not at all satisfied.

The people of New Brunswick take pride in the fact that Canada is making a great contribution to our war effort as a member of

the British commonwealth of nations. But they get no comfort nor do they derive any satisfaction from the fact that, while the government is advancing the enormous sum of over $307,000,000 to companies in different parts of Canada in order that they may erect plants to manufacture the materials required in our war effort, the statement put on *Hansard* a few days ago by the Minister of Munitions and Supply shows that out of this enormous sum of $307,000,000 only $182,526 or a small fraction of one per cent, is being spent in New Brunswick. This amount is being provided for the McLellan Foundry and Machinery Works at Campbellton. We are all pleased that this firm is being assisted and that, in consequence, work will be provided for this part of the province where it is needed so badly. I am sure the company will make a good job turning out shells in the factory which this money will provide, and the minister has made no mistake in assisting this company.

We have been told that further sums will be advanced by the government for the purpose of erecting plants of various kinds. I think the figure of $177,000,000 was mentioned in *Hansard*. I would ask the minister to keep the province of New Brunswick in mind when it becomes necessary to erect such plants.

At the last session of parliament all the members from New Brunswick, both Liberal and Conservative, held a meeting and appointed a committee to interview the Department of Munitions and Supply. It was the opinion of this committee that work should be provided in the first place for all small plants in the province and that then, if it was possible, consideration should be given to erecting large new plants which would have a chance of surviving after the war, these to be built with government assistance.

The committee received a courteous welcome and had a frank discussion with the deputy minister of the Department of Munitions and Supply. I am not prepared to say that the efforts of the committee produced any noticeable results, but on the other hand I am not going to say that they produced no results. I do know this, that only recently the premier of New Brunswick came to Ottawa and endeavoured to get some plants started in the province, which is further evidence that the people of New Brunswick are not satisfied with what has been done for them by this government.

The Minister of Munitions and Supply stated in the house the other day that he knew "of no small plant which had not more business than it could do at the moment," that

"almost every small machine shop can get all the work it wants to do." His statement is found at page 1006 of *Hansard*. If that statement was intended to apply to all of Canada, I assure the minister it is wide of the mark so far as New Brunswick is concerned. There are small plants and shops in New Brunswick which want more work and I hope that this will be provided. The minister has told us that there is no one more anxious than he to distribute these plants, and that he is trying at the present time to place a plant in New Brunswick. This is good news, and I hope that he will continue his efforts and that they will be successful.

It has been pointed out that we have no great supply of electricity in New Brunswick. That is true, but it is also true that we have some electrical power. We have in the city of Saint John power available from three plants. The hon. member for Victoria-Carleton (Mr. Hatfield) tells me that there is power available in his constituency. I am informed also that some manufacturing plants such as chlorine plants, cordite plants and soda-ash plants do not require large amounts of power.

We have in New Brunswick men who want work. The hon. member for Northumberland, N.B. (Mr. O'Brien) told me that he had received word to-day that from four to five thousand men are idle in his constituency and vicinity. We have resources that need developing, and we have some power available. With all these factors at hand, with the minister anxious to distribute these plants, and with these enormous sums of money that are being spent by the government upon the construction of plants, I again urge the government to establish more of these plants in New Brunswick.

In my opinion a short-sighted policy is being followed by the government in continuing to place so many of these plants and war contracts in central Canada. I can appreciate the fact that earlier in the war when the extent of the war effort was not realized by many people, the policy of placing so many of these plants in central Canada could perhaps be justified on the grounds of sound business.

But in view of the enormous task that lies before us, in view of the all-out effort that we have to make, the time was reached some time ago when this policy should have been changed in the interest of national unity, in the interest of the financial and economic well-being of every part of Canada.

I should like to say that I am in agreement with a remark made in this house not long ago by the hon. member for Lethbridge (Mr. Blackmore), when he said:

> . . . I am not finding fault in any way with Quebec or Ontario. The people of those two provinces are good Canadians and are entitled to their full share of the good things available in this nation. But let it not be forgotten for one moment that the people of every one of the nine provinces of Canada have an equal right. If that is forgotten, then unquestionably the unity of this country will be threatened, or, if not the unity, at least the strength.

I want to draw the attention of the minister and the government to a fact which should be kept constantly in mind when we are considering the location of these plants, that when the people of New Brunswick and Nova Scotia agreed to enter into a federal union with the colony of Canada, that is with upper and lower Canada, they did so in the belief and on the understanding that they were entering into a partnership in which they would share the benefits. They entered into confederation in the belief and on the understanding that they were entering into a partnership that would be to their advantage. Unfortunately for them, confederation did not prove to be to their economic advantage. After a thorough investigation made by the royal commission on dominion-provincial relations, the Rowell-Sirois commission reported that:

> New Brunswick shares with Nova Scotia the unhappy distinction of the longest unfavourable economic history of any Canadian province.

That is not a pretty picture, but I think every one of the four members of the government from the maritime provinces will agree that it is a true picture; that New Brunswick does share with Nova Scotia the unhappy distinction of the longest unfavourable economic history of any Canadian province.

The Rowell-Sirois commission also in their report say that the "basic problem" before the commission "lay in finding a way in which the financial position of the provinces could be improved and assured without disastrous financial consequences to the federal government on whose efficient functioning the provinces are dependent." Although the conference held between the dominion and provincial governments in January last to consider the Rowell-Sirois report came to a sudden and, in my opinion, an unfortunate ending, the dominion government at the present time has a wonderful opportunity to solve, to some extent at least, this basic problem which the commission faced, though it cannot implement all its recommendations. It can solve the problem, to some degree, by a wise distribution of these plants.

The government can, if it will, have more plants erected in the maritime provinces. Perhaps at the present time we have too much centralization and too lop-sided an economy in this country. Wealth is not fairly distributed. I would ask the government, through the Minister of Munitions of Supply, in the interests of national unity and in order to improve the financial and economic position of New Brunswick, to establish more of these plants there. The plants we should like to have established with this end in view are plants which could have an opportunity of surviving after the war, such as modern shipbuilding plants, chemical plants, chlorine plants and soda-ash plants.

We are glad to learn that two merchant ships are to be built in Saint John. I hope this is only a beginning. Lord Beaverbrook, in his forceful address over the radio not long ago, urged our country to supply ships and more ships. It has been reported that the Germans plan to have 600 submarines engaged in attacking British shipping this spring. At present, I understand, our replacements are not keeping pace with losses. We have a critical situation to face. I know that the energetic hon. member for Northumberland, N.B., is endeavouring to get the government to establish some shipbuilding plants on the Miramichi. I would urge the government to build more ships in New Brunswick. They can be built. There is a pressing need for them, and where there is a will there is a way.

While I am speaking of shipbuilding, I would point out to the government that it is essential to make the best and most expeditious use of the tonnage which we now have at our command. There has been a great delay in handling ships. I want to call the attention of the minister to the fact that there has been a serious congestion of shipping at Saint John this winter owing to lack of wharves and water-front facilities for handling cargoes.

It has not been uncommon during the winter months to have all the berths occupied by ships, to have several ships anchored in the stream, and to have ten or a dozen ships waiting outside the harbour to get in to discharge and load cargoes. This is a serious situation in war time, when tonnage is limited and supplies are vitally needed overseas.

The officers of the national harbours board visited Saint John in January and conferred with the mayor and members of the common council, with officers of the board of trade,

and with local shipping and railway men about the congestion which they found there. At this conference the mayor presented the following recommendations which were considered necessary to improve the port so that it could handle the heavy volume of traffic:

(1) A shed for No. 8 berth, West Saint John.

(2) Passenger and immigration facilities.

(3) Reconstruction of McLeod and Pettingill wharves. This work had been arranged for and was ready to be proceeded with when war broke out. The Canadian National Railways have expressed particular need for this reconstruction.

(4) Additional wharfage facilities on the east side of the harbour for the handling of bulk cargoes such as lumber, coal, cars, et cetera.

Mr. Colin Mackay, president of the board of trade, is reported to have said at that conference:

There is no use in getting supplies manufactured in a hurry and sent to the seaboard in a hurry if they are going to be held up for a considerable length of time for lack of sufficient handling accommodations. We need more docks here, more facilities. Large sums are being expended on the war effort. Well, this is a most important link in that effort.

Mr. D. W. Ledingham, chairman of the port committee of the board of trade, is reported to have said:

There is no question but that we are in a jam. There is a "bottle-neck" here. Ships are having to wait outside and in the stream because there are no berths to take care of them. Traffic is going to American ports that should be going through here. The McLeod-Pettingill wharves could be constructed in seven months and be ready for the next winter shipping season. Every steamship line is suffering from cramped facilities.

Mr. T. C. McNabb, general superintendent of the New Brunswick district of the Canadian Pacific railway, spoke from the point of view of the railways. He is reported to have said:

There are not enough berths from the standpoint of the railways. We have never had so much tonnage as we have had this winter for export.

It was pointed out to the board that there were sufficient longshoremen to meet all needs. Councillor Skaling, who is president of the New Brunswick trades and labour council, informed the members of the board that the labour capacity existed and the port wanted the opportunity to use that labour to the utmost. Captain Oland, the naval officer in charge of the port, said that the best longshoremen in North America were to be found in Saint John.

Colonel S. A. Dubuc, a member of the national harbours board, is reported to have expressed the opinion that the only remedy seemed to lie in increasing lighterage facilities on a tremendous scale, loading ships in the stream and even from the harbour side while being loaded at the dock.

Mr. HANSON (York-Sunbury): Would the Minister of Munitions and Supply make a statement with respect to the construction of the new dock in Saint John which was announced some time ago by the national harbours board? I should also like to have the Minister of National Defence give the break-down of the cost of the thirty day training centres at Fredericton and Edmundston as soon as convenient.

Progress reported.

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

Friday, March 14, 1941.

The house met at three o'clock.

PRIVILEGE—MR. REID

REFERENCE TO ARTICLE IN "NEW CANADIAN" OF FEBRUARY 28

Mr. THOMAS REID (New Westminster): Mr. Speaker, I rise to a question of personal privilege affecting me as a member of parliament. On February 25 last, when the estimates of the Department of External Affairs were under discussion, in a speech expressing views concerning the Japanese in Canada differing from those expressed by the hon. member for Vancouver East (Mr. MacInnis), I made certain remarks which can be found at page 1020 of *Hansard*. In my remarks I pointed out that in my opinion the Japanese in Canada were an unassimilable race. Here are my exact words:

In answer to a question of mine it was admitted by Japanese that they owed allegiance first to Japan, and so long as every Japanese born here is registered in Japan and is looked upon as a Japanese national he cannot be truly a Canadian. Hence my objection to them as a class. They are not an assimilable race, and are different in their outlook from any other nationals in Canada.

This morning I received a copy of a newspaper called the *New Canadian,* published in Vancouver by the Japanese, in their own interests; and I am now going to read to the house an article which appeared in the issue of February 28, which contains a scurrilous personal attack upon both the hon. member for Comox-Alberni (Mr. Neill) and myself, which I do not intend to let go unchallenged. This is the statement:

Some rather caustic comments concerning Canadians of Japanese origin were bandied about in the House of Commons this week, in

a manner to suggest that several British Columbia members of the house are still unprincipled politicians, first, last and all the time.

Mr. A. W. Neill, the honourable member from Comox-Alberni, was once again the leading spirit in an attack upon the quality of our loyalty and our Canadianism. With due assistance from his companion in prejudice, Mr. Tom Reid from New Westminster, he sawed violently away at his favourite plank—one, by the way, that he has exploited to considerable advantage for many a year—"once a Jap, always a Jap."

With due deference to his prestige, his position and his fossilization, the editor of this weekly presumes to disagree. And with all respect to the honourable members, he publicly challenges Mr. Neill and Mr. Reid to an open debate to determine which proposition is the more valid: "Once a Japanese, always a Japanese," or "Once an oriental-baiting politician, always an oriental-baiting politician."

An agreement as to time, place or conditions may be deferred until the honourable members of the house have considered, with what means they have at their disposal, somewhat more pressing problems of Canadian unity and the Canadian war effort.

These statements are not only false; they are malicious, and I want to repudiate in the strongest possible terms this personal attack upon myself. At no time have I endeavoured to arouse hostile or racial feelings against the Japanese in British Columbia. It is true that I have endeavoured in this house to point out certain dangers which I believe exist in British Columbia or might exist if the franchise were granted the Japanese. I have also urged that control of our fisheries by the Japanese in British Columbia should not be permitted to continue. My statements, first that the Japanese are an unassimilable race and second that most if not all Japanese in this country, whether born in Canada or elsewhere, are registered in Japan as Japanese nationals, have never been refuted by anyone, not even the Japanese themselves.

Such a vilifying personal attack, Mr. Speaker, comes with poor grace from a race of people who have enjoyed, with the exception of the franchise, every phase of our Canadian social and economic life.

WAR EXPENDITURES

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. J. T. THORSON (Selkirk): By leave of the house, Mr. Speaker, I move, seconded by the hon. member for Cochrane (Mr. Bradette) that the first report of the special committee on war expenditures, presented to the house yesterday, be now concurred in.

Hon. R. B. HANSON (Leader of the Opposition): I do not rise for the purpose of dissenting from this report. Mr. Speaker, but there is one feature of it with regard to which I think some explanation should be given. I refer to the matter of printing. The report contains a recommendation that so many copies of the proceedings in English and so many copies in French be printed at the discretion of the committee, which is quite unusual. I should like some explanation from the chairman as to why the committee desires to retain this discretion rather than have the usual resolution put through—simply an order of the house that the proceedings be printed.

Mr. J. T. THORSON (Selkirk): Mr. Speaker, the committee reserves to itself the right to determine from time to time whether its minutes and evidence shall be printed. It has been decided, until the committee determines otherwise, that the sessions of the committee shall be open sessions. If the committee should decide that in the interests of the nation its sittings shall be in camera, then the committee reserves to itself the right to determine whether the minutes and the evidence shall be printed. I suggest that that is a very proper reservation to make.

Mr. J. H. HARRIS (Danforth): While concurrence in this report was granted by hon. members of the committee, nevertheless I think it ought to be pointed out that the motion for concurrence was carried on division.

With regard to the matter of printing, we know that a clause was inserted in the report now before the house providing that that matter should be left to the discretion of the committee. But I should like to reiterate the position I took on a previous occasion when the resolution was being considered, and to suggest that so far as possible all meetings of the committee should be general meetings, that the evidence not printed should be kept to a minimum and the maximum printed. I say this for the following reasons. The report asks concurrence in the proposal that the committee be empowered to divide itself into subcommittees, which subcommittees, in common with the committee itself, shall have power to call and examine witnesses, and so on. But, without thought of anything of a political nature—I am satisfied that no one serving on the committee is thinking of it in that sense at all—I must point out that the composition of the committee is such that it consists of only four members from His Majesty's Loyal Opposition, one member from the Cooperative Commonwealth Federation, and one from the Social Credit group. That leaves a committee on which there are eighteen members of the government party. In reply to an observation from the other side I will add "in charge of that committee." I hope, Mr. Speaker, that they realize they are in charge, and will not dominate the committee.

I hope they will leave their domination on the doorstep before they come in, and remember that while we are at war we are going to look at this matter from a big, broad point of view, to help the present situation.

But coming to the point I want to emphasize, those four members are anxious to study the problems which come before the committees—

An hon. MEMBER: So are we.

Mr. HARRIS (Danforth): —in common with their fellows on the committees. Four members cannot sit on five committees; therefore I suggest that the main evidence be taken and the main portion of the work conducted by the general committee. In like manner a maximum of the evidence should be printed, for the added reason that all hon. members will want to know what is going on, and the only way they can know is by their reading of the printed record. And, more important than the membership of this house, Mr. Speaker, the people of Canada will want to know what is going on.

With all due respect to those who have cast reflections upon some of the members of the fourth estate who occupy seats up above us, they are perhaps even better fitted than we are to inspire public confidence and to remind Canada that we are at war. We look forward to the press doing a real job of encouraging our people in their war effort, and of reminding those in Canada who are not thinking about a war that there is a war on.

Motion agreed to.

LOANS TO PROVINCES

UNEMPLOYMENT RELIEF—QUESTION OF REDUCTION OR REPAYMENT

On the orders of the day.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance (Mr. Ilsley) if it is true that he, or one of his officials, has written to the provincial governments who have outstanding loans from the dominion government to ascertain whether they are in any position to reduce or to pay off such loans. I should also like the minister to tell the house what replies, if any, have been received. I base my inquiry on a press dispatch from Vancouver, British Columbia, which asserts that the premier of British Columbia has taken the attitude that his government is not obligated to repay loans granted for the purpose of providing relief for unemployment.

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, I believe the best way to reply to the question is to produce the correspondence which has passed between this government and one or perhaps more of the provincial governments. It is very difficult to summarize the correspondence.

Mr. HANSON (York-Sunbury): What the minister has suggested would be satisfactory.

Mr. ILSLEY: It would be difficult to summarize it in the way in which perhaps someone has attempted to summarize it in the newspaper article. If the leader of the opposition will place a resolution on the order paper, or permit this request to be regarded as a request for the tabling of the correspondence, I shall be prepared to table it.

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

ROYAL CANADIAN MOUNTED POLICE

LETTER REFERRED TO BY MEMBER FOR NORTH BATTLEFORD ON MARCH 5

On the orders of the day:

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, on Wednesday of last week, March 5, the hon. member for North Battleford (Mrs. Nielsen) read a letter, or part of one, which she had received from James L. Hatton, of North Battleford. Subsequently the letter was laid on the table of the house. In it there were statements which cast rather damaging reflections on the Royal Canadian Mounted Police—

Mr. HANSON (York-Sunbury): What about the latter part of it?

Mr. LAPOINTE (Quebec East): —and its work in that locality. In fairness to the force, and as the high repute of the Royal Canadian Mounted Police is one of the most valuable assets in Canada, I wish to lay on the table of the house a statement dated March 10, 1941, signed by the same gentleman, which has been given to the inspector in charge of the mounted police in that part of Saskatchewan. The statement is countersigned by the inspector.

Mr. HANSON (York-Sunbury): Read it.

Mr. LAPOINTE (Quebec East): I have no objection. It is as follows:

James L. Hatton, auctioneer, states as follows:

Inspector Spriggs has to-day shown me a copy of a letter which I wrote to Mrs. Dorise Nielsen, M.P., on the 25th of February, 1941. I recognize this letter as a true copy of the one which I wrote.

At paragraph (3) of this letter I stated that I had had a conversation with Sergeant Hill on the 22nd and that he had stated the following:

"The—

I am sure the house will excuse me if I do not repeat the two following words—

—can't she see that the same law will put her behind the wires, whether she believes it or not, and believe me she'll be there before long if she keeps up the pace she's hitting for they'll frame up something somehow either under the 5th Column or agitation against the war effort or disloyalty.

She should remember she's not a lawyer and she may leave a loophole somewhere and if she ever does in she goes. I'd imagine she should be able to see that she can do a lot more good by having her freedom than in an internment camp for the duration. Of course if she wishes to become a martyr to the cause she can be one by being interned, but I fail to see what she can ever gain by that. First thing she knows she'll be down there keeping Houde of Montreal company."

The foregoing statement in quotation marks embodies the full contents of what I had personally in my own mind and unfortunately, I quoted it as having been made by Sergeant Hill, believing it would have more weight and make a greater impression than it would have made on Mrs. Nielsen had I been expressing my own thoughts. The most important feature of the whole letter was to make her realize the seriousness of the attitude she is now taking towards the defence of Canada regulations during the war. This letter was absolutely a confidential letter and has been exposed to the public without the consent of the writer who had no intention in his mind of being disloyal or causing friction anywhere at any time other than between Mrs. Nielsen and himself. I deeply regret that my confidence has been betrayed, at a time when I thought I was giving confidential advice as to her better conduct in the future.

The actual conversation which took place between myself and Sergeant Hill on the 22nd of February, last, was dealing with newspaper articles in which Mrs. Nielsen had been reported as having taken up the part of persons who had been interned. Sergeant Hill was pointing out to me the impossibility of trial by jury in these cases, he said that such procedure would be applicable in peace time but not in war. However he did not make any definite statement such as I have embodied above in quotation marks. I personally considered Mrs. Nielsen to be going too close to the border line and taking too much of a chance of overstepping or making some statement under which she might be charged as a fifth columnist or as an agitator or even for disloyalty.

As a result of my conversation I thought this matter over very carefully for a couple of days and decided that if I could make Mrs. Nielsen think that these things came from some one in authority she might take them more seriously and perhaps change her attitude as a result, and put her support back of something that would be of vast importance towards the winning of the war or the relieving of distress where it was needed.

This statement has been given voluntarily by me without any pressure having been brought to bear from any quarter, and it is still my opinion that Mrs. Nielsen should change her attitude towards the war and the defence of Canada regulations.

J. L. Hatton.

Witness:

F. E. Spriggs,
Inspector.

REPORT AS TO QUESTIONING AND INVESTIGATION OF TWO JOURNALISTS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to direct the attention of the Minister of Justice (Mr. Lapointe) to an article in this week's *Saturday Night*, which just by chance relates to the Royal Canadian Mounted Police and their activities, for which body I have the greatest respect. This article purports to have been written in reply to certain statements made in this house by the minister on March 4. In the article it is categorically stated that two journalists, whose loyalty is unquestioned, namely Miss Judith Robinson and Mr. Oakley Dalgleish, have been questioned and investigated by the Royal Canadian Mounted Police. It is suggested in the article that the purpose of this questioning and investigation was to intimidate these journalists who have been critical of this government's war effort. The freedom of the press is a matter of such vital importance that I believe this house is entitled to a full and complete explanation from the minister.

Right Hon. ERNEST LAPOINTE (Minister of Justice): I have not read the article in question and I have no knowledge of what my hon. friend alleges has happened. However, I shall secure the information.

TRANS-CANADA AIR LINES

MONTREAL-MONCTON-HALIFAX MAIL SERVICE—HALIFAX ON MAIN TRANSCONTINENTAL AIR ROUTE

On the orders of the day:

Mr. G. B. ISNOR (Halifax): Mr. Speaker, I desire to direct a question to the Postmaster General. In view of the important part that the port of Halifax is playing in Canada's war effort, may we hope at an early date for an improvement in the air mail service out of Halifax?

Hon. W. P. MULOCK (Postmaster General): The hon. member for Halifax (Mr. Isnor) was kind enough to give me notice of his intention to ask this question. I would advise him that with the concurrence of the Minister of Munitions and Supply (Mr. Howe) I have pleasure in stating that the Trans-Canada air mail service will be extended on or about April 15 from the former eastern terminal at Moncton, New Brunswick, to Halifax, and that the frequency of service between Montreal, Moncton and Halifax will be increased to two round trips daily including Sunday. This will furnish a direct air mail service between Halifax and Vancouver, and by eliminating the necessity of a transfer of

mails and passengers at Moncton will further reduce the elapsed time necessary to fly between the Atlantic and Pacific shores of this dominion. The inclusion of Halifax on the main transcontinental air route is the logical outgrowth, not only of the continually increasing volume of air mail destined for and originating in Halifax, but also of the progressive policy of the Post Office Department in furnishing Canadians the best possible air mail service, an air mail service second to none.

Mr. MacDONALD (Halifax): May I inquire as to the type of equipment that will be used in carrying out this extended air service?

Hon. ANGUS L. MacDONALD (for the Minister of Transport): May I say that it is proposed to put on the route from Moncton to Halifax the regular type of plane used in other parts of the Trans-Canada service; that is, Lockheed planes, each with ten seats. The Postmaster General has already stated that there will be two planes a day in to and out of Halifax. I might add that the exact date when this service will commence is not known at the moment to the officials of the Department of Transport because there are still certain works to be performed on the air field near Halifax, but there is every indication that the estimate given by the Postmaster General will prove correct. I think that before the end of the month of April this service will be in operation.

Hon. R. B. HANSON (Leader of the Opposition): Is it the intention that the regular Trans-Canada air liners shall continue to have their terminus at Moncton, or will they proceed to Halifax? Will there be what is known as a taxi service between Moncton and Halifax?

Mr. MacDONALD (Kingston City): I am not able to answer that question definitely. The objection hitherto from the point of view of Halifax has been that planes running from Moncton to Halifax were only six-seater planes and consequently there was a good deal of congestion. Sometimes as many as twenty to twenty-five passengers might want to take the plane, and with the six-seater plane making only one or two flights a day a number of passengers were unable to get accommodation.

The great desire of the people down there was not that Halifax should be the terminal but that some arrangement should be made whereby the congestion at Moncton might cease and passengers from Montreal and points west be assured of accommodation.

[Mr. Mulock.]

ROYAL CANADIAN AIR FORCE

STATEMENT WITH RESPECT TO RECENT FLYING ACCIDENTS

On the orders of the day:

Hon. C. G. POWER (Minister of National Defence for Air): Mr. Speaker, in view of the recent series of unfortunate flying accidents, I think it is advisable to make a statement to this house. The following particulars are available concerning the three fatal accidents which occurred yesterday at No. 8, Service Flying Training School, Moncton; No. 4 Service Flying Training School, Saskatoon and No. 31 Air Navigation School, Port Albert, in which eleven personnel were fatally injured, two seriously injured and one uninjured and six Anson aircraft were destroyed.

Moncton. Two aircraft on a normal formation flight practice interlocked at 2,000 feet. In one aircraft with a crew of three on board, two pilots were unable to abandon the aircraft and crashed with it, killing one and seriously injuring the other whilst the third pupil pilot abandoned by parachute and landed safely. The other aircraft broke away after collision and fell straight down killing the only pilot on board.

Port Albert. Two Anson aircraft took off at a fifteen minute interval on separate exercises approximately in the same direction. The weather was clear everywhere. They came into collision, and it appears one knocked the tail off the other and both aircraft crashed out of control. The aircraft were flown by experienced staff pilots. Seven of the occupants of the two Ansons were killed and the wireless operator, the only one to survive, was seriously injured. From evidence at hand it is considered that they may have been blinded by the sun on a turn. Why they were at the same place and height is unknown.

Saskatoon. Two Anson aircraft were on a normal formation flight. One overtook the other and collided. Both aircraft disintegrated in mid-air at 3,000 feet, killing both pilots. All the above accidents were on normal routine training flights. No evidence of mechanical failure is considered likely.

Accidents during 1940. The following accidents occurred during the first year of operation of the British commonwealth air training plan:

Fatal—25.
Injured—33.
Total—267.
Hours flown—233,056.
Total accident rate—1·19 per thousand hours.
Fatal accident rate—0·11 per thousand hours.

Only 32 schools were in operation during this period, that is from April 1 to December

31, but the 233,056 hours flown indicates the intensive training which was carried out. During this period the accident rate per 1,000 hours flown was:

Fatal accidents—0·11 per thousand hours.
Injured accidents—0·14 per thousand hours.
Uninjured accidents—0·94 per thousand hours.
Total accidents—1·19 per thousand hours.

Out of the total of 267 accidents which occurred during 1940, the major number was caused through normal errors of pupils during flying training, such as (a) not being able to correct a swing on landing; (b) carelessness in taxi-ing; (c) faulty manipulation of ancillary controls. Nine accidents occurred through collision in the air, which in most cases can be attributed to either bad weather or lack of vigilance by the aircraft crews.

No aircraft of any particular type used in training has revealed itself to be more prone to accidents than any other type, and in comparison with the flying hours carried out, the rate of accidents per hours flown was found to be not abnormal.

Accidents have increased during the first month of 1941, that is in January, as follows: total serious and minor accidents, 163 (18 deaths); flying hours carried out, 99,460; accident rate, 1·6 per 1,000 hours.

The flying time of 99,460 hours during the one month of January 1941 is very nearly 50 per cent of the total flying carried out during 1940 and the accident rate of 1·6 compares with the 1·19 of 1940.

I have not worked out the fatal accident rate for the month of January.

With respect to the action taken for the prevention of accidents:

1. Air regulations are promulgated by the Royal Canadian Air Force to cover regulations which affect all schools throughout the service and flying orders are promulgated by each station for local regulations affecting their own locality only. One copy of air regulations is issued to each qualified pilot and one to each two pupils. These regulations cover such things as: minimum altitude at which aerobatics are carried out, the operation of aircraft on cross country flights, forced landings, restrictions imposed on various types of aircraft, low flying, et cetera.

2. Courts of inquiry. Courts of inquiry are held on all accidents of a serious nature, the courts being composed of qualified officers who thoroughly investigate all circumstances surrounding the accident. The court makes findings and recommendations to prevent a recurrence. The findings and recommendations of the court of inquiry are fully considered by command headquarters and in turn by Royal Canadian Air Force headquarters who take the appropriate action on the recommendations and findings.

3. Analysis of flying accidents. Each command is required to make a summary analysis of each accident quarterly. This quarterly analysis of accidents is circulated within the command and all pilots must initial as having read and understood.

4. Syllabus of flying instruction. Pupils are given individual instruction in the air by their flying instructor in aerobatics and spinning, to enable them to be fully conversant with the methods of recovering from any unusual altitude which they may inadvertently get into. They are also given instruction in low flying which is limited to dual only, and the importance of keeping a continuous lookout in the air.

5. Syllabus of ground instruction. Syllabus of instruction at flying training schools require the chief instructor to give lectures based upon the analysis of flying accidents to all pupils under training. The chief instructor gives details of the causes of these accidents and explains in detail to the pupils steps which they should take to guard themselves against being involved in any accident.

6. Posters. All flying training schools are supplied with a number of posters to bring home forcibly to the pilots the serious effects which result from disregard of air regulations, which have been brought into effect as the result of many years' experience. New posters are in the course of production.

7. All possible steps are taken to prevent accidents, both in the air and on the ground, but in spite of these precautions accidents still occur. A large proportion of them are due to the human element for which it is impossible to legislate.

May I add that repetition of such accidents is far from making us callous. Indeed we view with the utmost anxiety the great loss of life involved in these accidents, and we shall continue by every means in our power to try to protect these young men not only against unforeseen occurrences but in many cases against their own carelessness.

Mr. JACKMAN: May I ask the minister whether the statement he has just made with reference to flying hours refers to plane hours or passenger hours? Was he speaking of how many hours the planes had flown, or of how many hours the passengers and pilots had flown?

Mr. POWER: I take it to be the plane hours. I would not assume that any one of our pilots had flown 200,000 hours.

Mr. JACKMAN: No, not one pilot.

Mr. POWER: May I take advantage of this question to place on *Hansard* a comparison with the training figures of the Royal Air Force in Great Britain? During the months of July and August, 1940, which are regarded as good flying months, there were 66 deaths in the Royal Air Force during 293,700 hours of flying. In the same two months, although conditions are not comparable, in the Royal Canadian Air Force there were 34,298 hours of flying, with no deaths. But an almost comparable figure with 66 deaths in 293,000 flying hours is 25 deaths in Canada in 233,056 hours.

Mr. JACKMAN: I do not believe that the minister quite understood what I was driving at. A plane which is up for an hour with five men in it represents an equivalent of five passenger hours as against one hour of flying time for the plane. I wish to be certain as to what the minister intended. It makes a very great difference in the percentages.

Mr. POWER: I take it that that is actual hours during which the aircraft was in the air.

REPORTED TRANSFER OF WESTERN COMMAND HEADQUARTERS FROM REGINA TO CALGARY

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): May I ask the Minister of National Defence for Air in consequence of a report I have received through the mail to the effect that the western command of the Royal Canadian Air Force now located in the city of Regina is about to be transferred to the city of Calgary, whether such a decision has been arrived at, and if so—

Hon. C. G. POWER (Minister of National Defence for Air): The answer is no, so that my hon. friend need not ask any more.

NATIONAL REVENUE

QUESTION OF EXEMPTION FROM INCOME TAX IN RESPECT OF BRITISH GUEST CHILDREN

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, may I direct a question to the Minister of Finance with regard to dominion income tax exemptions? In the case of the hosts to all guest children in Canada, will exemption be granted on account of these children whether they are government-sponsored or not? May I remind the minister of his promise, when this matter was under discussion at the last session of the house, to take it into consideration?

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, the hon. gentleman is just as familiar with the provisions of the act as I am. He is aware that the act stands as it was passed at the last session. If his inquiry is directed to the question whether there is to be a change in that respect in this budget, it is an inquiry which it would be most improper for me to answer.

Mr. BRUCE: My purpose was to bring it to the minister's attention anyway.

UNEMPLOYMENT RELIEF

QUESTION OF FEDERAL AID TO PROVINCES BY WAY OF GRANT OR LOAN

On the orders of the day:

Mr. A. H. BENCE (Saskatoon City): Can the Minister of Labour give me any further reply to the question I asked on Monday last as to whether the government had under consideration assisting by way of either grant or loan those provinces which have indicated that they are unable to provide sufficient funds for their relief requirements?

Hon. N. A. McLARTY (Minister of Labour): Yes, I can, Mr. Speaker. So far as the Department of Labour is concerned I made inquiries and was advised that that department had received no such request.

Mr. BENCE: I wonder if the Minister of Finance could state whether any such representations as I have mentioned have been made to his department.

Hon. J. L. ILSLEY (Minister of Finance): I will get the information for the hon. gentleman.

ST. PATRICK'S DAY

SUGGESTED ADJOURNMENT AT 6 O'CLOCK ON MONDAY, MARCH 17

On the orders of the day:

Mr. ROBERT FAIR (Battle River): On Monday next, Irishmen and their friends throughout the world will celebrate St. Patrick's day. May I ask the Prime Minister whether the government has considered the adjournment of the house at six o'clock so that hon. members and their friends may celebrate in a proper manner?

Mr. MacNICOL: The answer is, no.

Mr. FAIR: May I ask the Prime Minister if he will answer my question, or at least take it under consideration?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I did not catch my hon. friend's question. What I gathered was, would I give an undertaking that the house would not sit on St. Patrick's day.

Mr. HANSON (York-Sunbury): No—in the evening.

Mr. MACKENZIE KING: Well, it would depend upon the condition of the house on that day.

Some hon. MEMBERS: Oh, oh.

CANADIAN FORCES

PROVISION OF VITAMINIZED FLOUR AND FLOUR PRODUCTS

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I desire to address a question to the Minister of Agriculture. In view of the statement made last night by Major Tisdall, nutrition expert and adviser on nutrition to the Department of National Defence, as to the necessity of providing vitamin B-1 in flour as a means of preserving vitality, will the minister take the necessary steps to see: (1) that this type of bread only is supplied to our fighting forces, and (2) that only flour containing this vitamin is exported to Britain during the war?

Hon. J. G. GARDINER (Minister of Agriculture): I listened to the address last evening of Major Tisdall and also the address which followed, delivered by Mr. Newman, of the cereals branch of the Department of Agriculture. The information I gathered from the two addresses is that the result of investigations in connection with the elimination of vitamin B-1 from wheat through the present milling methods is to the effect that that vitamin is eliminated by present milling methods. But the information which has so far been gathered with regard to new methods of milling in order to produce the type of flour which would contain vitamin B-1 is still in the experimental stages, and I do not think it will be possible at the moment to carry out either of the suggestions which are made in the hon. member's question.

Mr. BRUCE: I was under the impression after reading the newspaper report that these mills could preserve vitamin B-1.

Mr. GARDINER: I might say that it is possible, but it requires a change in the present milling methods.

TRANSPORT COMMISSION

JUDGMENT AS TO DISCONTINUANCE OF BEISEKER-LANGDON, ALTA., RAILWAY LINE

On the orders of the day:

Mr. C. E. JOHNSTON (Bow River): The other day I asked a question of the then acting Minister of Transport with regard to the discontinuance of the railway and the removal of the tracks between Beiseker and Langdon, Alberta, and I would like now to direct this question to the Minister of Agriculture.

In view of the decision rendered by the board of transport commissioners to tear up that track, and considering that there is going to be a great shortage of storage space for grain, will the Minister of Agriculture do something, if necessary under the War Measures Act, to see that that road is continued and those elevators are kept open for storage?

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, I am afraid the question has been directed to the wrong minister. The control or administration of anything having to do with elevators comes under the Department of Trade and Commerce.

Mr. JOHNSTON (Bow River): Well, then, may I direct it to the proper minister, the Minister of Trade and Commerce?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I will take the matter under consideration.

Mr. JOHNSTON (Bow River): I understand that, if something is not done right away, this service will disappear, so that immediate consideration should be given to the matter.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, March 13, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war.—Mr. Ilsley—Mr. Fournier (Hull) in the chair.

Mr. HAZEN: Just prior to adjournment last evening I was speaking of the importance of making the best use of our available tonnage. I had pointed out that, owing to insufficient harbour facilities, there had been a serious congestion of shipping at the port of Saint John this winter, and that this was delaying our war effort. I had pointed out, further, that the national harbours board held a meeting in January in the city of Saint John when this problem was considered. I was about to say, when the house adjourned, that I had read in the press recently that the government proposes, in order to assist in relieving this congestion, to build a timber wharf, a trestle wharf I believe it is to be, about nine hundred feet long, this wharf to be ready when the winter port opens next autumn. That is a step in the right direction; it will improve the situation, but unfortunately it will not, in my opinion, fully meet the need. The representations made by the city of Saint John to the national harbours board should be carried out. I should like the Minister of Munitions and Supply or the government to tell us just what steps they have in mind to improve the situation at the port.

At the port of Saint John we have the wharves; we have the longshoremen and we have the railway connection. I understand that last summer some ports in the country were congested, but the port of Saint John was more or less vacant during the greater part of the summer. In order to prevent congestion in other ports in Canada and to facilitate the dispatch of cargoes of war materials and supplies overseas, I urge the government to consider the advisability of using the port of Saint John to a greater extent during the coming summer.

In conclusion, I would again urge the government to take a broad and statesmanlike view of the manner in which our war expenditures for manufacturing plants are to be made, and to take advantage of the opportunity that I believe is now presented to it of implementing, to some degree at least, the Rowell-Sirois report by improving the financial and economic position of the maritimes through the establishment this year in New Brunswick and Nova Scotia of war industries which will have a possibility of surviving as peace time industries after victory has been achieved. Out of the amount of $307,000,000 that is being advanced to build industrial plants in this country, the very small sum of $182,526 has been spent in New Brunswick. This is not good enough.

[Mr. Hazen.]

Mr. GREEN: In connection with the statement which was made to the committee earlier in the week by the Minister of National Defence (Mr. Ralston), I think it would be well if either he or the Minister of National War Services (Mr. Gardiner) would give us a more detailed explanation with regard to the calling up of young Canadians for training under the National Resources Mobilization Act, and also with regard to the whole compulsory training scheme.

There is much doubt, much uncertainty, and I think much bewilderment in the minds of the Canadian people about the present method of calling up our young Canadians and about the compulsory training scheme. The time has come when the ministry should tell the committee and the people the purpose of this compulsory training. Let us know the aim of the government in connection with this whole scheme. For example, is it to give all our man-power a short period of training, or is it to train men for the reserve army, or is it to obtain recruits for the active army, or is it for some other purpose? My point is that the government should make some clear-cut statement as to the purpose so that the Canadian people will know. There are thousands and thousands of these young men who are vitally interested, and more thousands of their relatives who are also interested, and there is great general interest across the country in the purpose of the scheme.

Last summer, when the blitzkrieg struck and France was falling the Canadian parliament enacted the National Resources Mobilization Act; a few weeks after its enactment we were told, if I remember correctly—and if I am wrong in any of my points I would ask to be corrected by one of the ministers as I go along—that the purpose of the compulsory training was to give all the man-power in Canada preliminary military training. I think we were told that about 300,000 Canadians ranging in age from twenty-one to forty-five years would be given training for a period of thirty days. I also understood that another purpose was to provide a force which could be used for the defence of Canada. There were to be practically no exemptions from this training with the exception of the Doukhobors, the Mennonites and perhaps one or two other classes.

When the house met in November Canada had had two or three months' experience with the plan, and I think it will be admitted

that it had then developed that there was no real tie-up with the fighting forces. For example, all the young men who received the training were posted to reserve army units, but merely by having their names included on the roster, in other words, the names were on the rolls, but the young men were not actually taking part in the work of the reserve army unit to which they were attached. Further, that reserve army unit could not recruit them into its ranks if it wanted to. I believe that until some time in January the reserve units were not allowed even to recruit the young men who had been posted to them.

Further there was no chance, or very little, given to these young men to join the active army; recruiting was not open; no facilities were provided for them to get into the active army if they wished to do so. I understand that they were asked whether they were willing to serve in the active army, but that was as far as it went. I believe, further, that the navy and the air force took steps to go into the camps, or set up recruiting stations near the camps, and did their best to persuade the young men to join their respective forces. The active army, however, refused to do that; it made no attempt whatever to get these young men into the ranks. Many of these young men who took the month's training went back into civil life.

The training was, of course, very short, and I think the house was unanimous in the belief that, to be effective, the training should be extended. In November, the Minister of National Defence announced that the period of training would probably be extended to four months. and that is now to be done.

But the position is far from clear. The government has decided that twenty-one year old men are to be called up, and I understand that the exemptions are to be wider than when the men were being called for the thirty days' training.

The present scheme is not entirely fair to these young men of twenty-one. During the period between the adjournment of the house in December and the reopening of the session in February, I heard many expressions of opinion to that effect. I think these young men feel they are being picked on. They find difficulty when they apply for work. Prospective employers ask their age; and when they find that the men will soon be twenty-one, the answer is, "Well, we don't want you. You are going to be twenty-one in a short time and you will be taken away from the job, so we will not take you on." Many of these young men are sons of men who served in the last war. It just so happens that setting this age at twenty-one means that a great many of the sons of men who served in the last war are included. The young men feel that if the call should come for men to fight, they, having been trained, will be chosen. I believe they are just as willing to serve as anyone else, but there is the feeling that the burden should be spread over a larger number of shoulders.

Will the Minister of National Defence or the Minister of National War Services explain whether the intention is that, after these young men have had their training, they should go back into civil life, or is it intended that they should go into the forces? I ask the ministers to inform us now as to the aim of the government in this regard. If the aim is to obtain as many recruits as possible for the active fighting forces, then I suggest that the government should go all-out to persuade these young men to enlist in the active army. Give them every possible facility for getting into that force. If it is also desired to build up an army for the defence of Canada, it does seem to me that other steps should be taken than those in contemplation at the present time. If the plan is to build up an army for the defence of Canada, why not put these men into the active army, for service in Canada only, after they are trained? Under the terms of the National Resources Mobilization Act they can be called only to serve in Canada. Why should they not be put into the active army on that basis? We need many trained men to defend our shores should such defence be necessary, and it is far better to have too many than too few. At the present time I doubt whether we have a sufficient number of trained men in Canada for our defence, should an attempt be made at invasion.

Mr. RALSTON: Does my hon. friend mean an attempted invasion of Canada?

Mr. GREEN: Yes. If some step such as I suggest is taken; if these men are put into the active army—I do not suggest that this should apply to the men now under call but rather it should apply to those who attend future camps—I think the government should choose from a much wider age group, and that such choice should be made by lot, by much the same method as is being followed in the United States at present. I believe also that much wider exemptions should be granted. Where men are needed in industry; where men are needed at home, they should be exempted from service. The main thing is that the government should announce whatever policy it has, now, or just as quickly as possible, in order that the people of Canada may see the picture and may know at what we are aiming. If

that is done, the government will get far more understanding and far greater support across the country than it is getting at the present time.

Mr. GARDINER: Most of the questions raised by the hon. gentleman have to do with the Department of National Defence, and, I am sure, will be dealt with by my colleague, but perhaps I might answer that part having to do with the Department of National War Services.

We are asked to call out the necessary number of men to make up the camps. It has been estimated that the twenty-one year old group, together with those who were called for the thirty-day training but had their training postponed for one reason or another, will be sufficient to cover at least a considerable part of the present year. For that reason the first call has gone out for approximately six thousand men of the twenty-one year old group; that is, those who have become twenty-one since July 1 last and those who were twenty-one before last July but who did not train in any camp during the previous year.

Mr. HANSON (York-Sunbury): That is, those whose training was postponed?

Mr. GARDINER: Yes. As has been indicated, the first call has been issued to these men, who will report to a medical practitioner for examination, just as the men did under the thirty-day plan.

Mr. HANSON (York-Sunbury): Before the minister goes on to deal with the medical examination, would he be good enough to enlighten me with respect to one point. Which department determines the category to be called? Is it his department or the Department of National Defence? That is to say, who determines whether only the men of twenty-one will be called? Is that the prerogative of his department or of the Department of National Defence?

Mr. GARDINER: The decision to call those of twenty-one years of age was based largely upon an examination of the records by both departments in order to obtain the number required to fill the camps that are being set up by National Defence, starting with those twenty-one years of age for the first call. Then the medical examiner determines whether the man is in a category which would require him to report to the camp. The individual has then the right to apply, not for exemption but for postponement, to the board at the centre of the military district, and, if necessary, the board may require the individual to appear in person to be examined in connection with his suggestion that his training should be postponed.

[Mr. Green.]

I do not know that it is quite correct to say that the groups whose training is to be postponed have been enlarged. It is just possible that reasons for postponement will be accepted now that were not accepted for the shorter course. At the moment I would not care to go further than that. Two or three days ago, I think, I said that the regulations would be laid on the table before the end of this week. The only reason why they have not been laid on the table is that they were referred to the Department of Justice, which just finished looking over them to-day. As a result, some changes in phraseology have to be made, but I am hopeful that we shall have them by Monday or, at the latest, Tuesday of next week. Therefore, at the moment I should prefer not to go into detail with regard to certain matters as to which I have not seen the final phraseology. Generally speaking, however, the postponements will be for reasons similar to those under the thirty-day training, giving consideration to the fact that persons will have to be away from home or from places of business for four months instead of thirty days. So far as agriculturists are concerned, or those who have seasonal employment, some concessions will be taken into consideration. For example, agriculturists will not be compelled to go to camp under the first call, or, I would say, under the second call; but they will be expected to go for the third four months' period, which will be in the winter months of next year.

Mr. HANSON (York-Sunbury): What is going to be done in the case of the dairy farmer?

Mr. GARDINER: A choice will be given. Of course it is not compulsory that one who is in one of the seasonal employments should remain out of camp in the summer months. If he desires to go to camp in the summer, in order to avoid having to go in the winter months, he will be permitted to do so. I should imagine there would be some divisions in families as to whether they prefer certain groups to come at one time or at another, although it is not likely there would be more than one in the twenty-one year old group. In that group, however, there might be a hired man as well as a member of the family.

Mr. HANSON (York-Sunbury): I have in mind an actual case which came to my attention. This was the case of a widow with only one son, who was twenty-one years old and had been called. As it happens, he was milking twenty-one cows. She and her son came to my office during the recess, and appeared to be greatly perturbed over the situation. I told her what I thought was the

position. I said that I believed he could get a postponement, but that sooner or later he would have to go, and that the mother would have to hire somebody to take his place. She then pointed out the difficulty of securing help on the farm, on account of the fact that so much labour was being attracted by the work going on at that season of the year in various communities in the province.

My point is that in a case like that there ought to be some provision for selectivity, and that that boy ought not to be called at all. I advised the young man, however, that I thought the four-months' period of training was approaching, and that he might be wise to go to camp. I believe he did so. I do not know whether the mother milked the cows, or what happened. Possibly this was an extreme case, but certainly it was one where the boy should not have been called, under present circumstances. That is one of the weaknesses of the scheme. There is no provision for selectivity, and I am reminded by my colleagues that the case I have described could be duplicated in many instances throughout the length and breadth of the land. The minister would not be doing any violence to the condition he has set up if that sort of thing were considered. Having regard to the number of twenty-one year old men available, I am satisfied that that young man ought not to be called, or, in any event, at least not until later.

Mr. GARDINER: Before the last call was made under the thirty-day plan, and at a time when the four-months' plan was under consideration, a letter went out signed by myself as Minister of National War Services, after consultation with the government, to the effect that in cases such as the one now described the board could give special consideration for the last thirty-day period, in view of the fact that the whole plan might be changed, in which event we would probably be giving consideration to regulations of a different kind. I imagine a number of cases were dealt with during the last period on that basis.

Under the new regulations, while it has not been provided that anyone can be exempted, it is set out that consideration should be given in cases of hardship. As I understand it, there is a hardship clause in the British conscription measure.

Mr. HANSON (York-Sunbury): And in the United States.

Mr. GARDINER: Yes, and in the United States. We have attempted to write the same principle into our regulations, despite the fact that our law is not a conscription law, in the sense that the others are. We are, however, having them appear before the board. That is, the individual must make application before the board, and indicate his desire that special consideration be given his case. Having made that application, while he would not be exempted his case would be postponed, and he would be subject to call from time to time, or as conditions might change. In that event he would probably be called up, or from time to time he would be asked whether his condition had changed. What happened would depend somewhat upon the circumstances surrounding any particular case.

So far as groups are concerned, it is the present intention that industrialists should make application in a manner somewhat similar to that in which they applied under the thirty-day plan, if they desire to have a group in their plant considered for postponement, either because they are keymen or because they are taking part in an industry where it is essential that, for the time being, the staff ought not to be disturbed. Again, in this instance postponements would be allowed.

But postponements under the present regulations are not limited to twelve months; they can be made for a longer period. The thirty-day plan postponements were all confined to the twelve-months period.

Mr. HANSON (York-Sunbury): Within twelve months.

Mr. GARDINER: Yes; within twelve months they were called again. But postponements made under the present regulations extend beyond that.

These men report to camps, and after they have reported and have passed medical examinations in the camps they are entirely in charge of the Department of National Defence.

Mr. DOUGLAS (Weyburn): As I understand it, since the training has been extended to a four-months period, under the present basis of utilizing man-power there will be a sufficiency of young men attaining the age of twenty-one years, and the call will never go beyond the twenty-one year old class. Am I correct in my understanding?

Mr. HANSON (York-Sunbury): That has been stated.

Mr. DOUGLAS (Weyburn): Yes, in the press.

Mr. GARDINER: There is not a sufficient number of young men of the twenty-one year old class—at least, I do not believe there is—when we take into consideration those whose participation will be postponed either on account of their connection with industry, or because of training they may be following

in universities, which may be considered of as much importance as other training, or for other reasons. Taking all matters into consideration, I would doubt that there would be enough young men in the twenty-one year old class to make up the 6,000 a month.

Mr. DOUGLAS (Weyburn): For four months.

Mr. GARDINER: Six thousand are called every month until we get to 24,000, and then 6,000 go in and 6,000 come out, which means that we call 72,000 over the year. I doubt very much if, in the result, there would be 72,000 available out of some 96,000 of that age group.

Mr. DOUGLAS (Weyburn): Is 96,000 the total number of the twenty-one year old class?

Mr. GARDINER: About 96,000 is the number in the twenty-one year old class. We must consider the percentage turned down because of physical condition, others whose cases may be postponed because they are engaged in certain important industries, others who have joined the forces voluntarily, and who are of that age, and others who are taking training in some acknowledged military school. Therefore it is just possible that there may not be enough in the twenty-one year old class to carry right through the year.

Mr. DOUGLAS (Weyburn): How many will become twenty-one years of age in each year?

Mr. GARDINER: Approximately the same number that are in the year age group called up. There may be a few more or a few less, but it would be about 96,000.

Mr. DOUGLAS (Weyburn): At the time the new programme was announced, it was stated in the press that enough men would be found in the twenty-one year old group, and that it would not be necessary at any time to go beyond that group. As a result of that press statement, there was a feeling in many quarters that some other basis for selecting these men ought to be found. It was considered that it was not fair always to insist that the twenty-one year old men must break into what they were doing and take their training, and that the men of twenty-two, twenty-three or twenty-four years should go scot-free for the duration of the war. It was contended that if there are sufficient young men in the twenty-one year old class to keep the training scheme in operation, then a hardship would be suffered by those in that age group, and that the result would be that no responsibility would be placed on other young men at other ages.

I suggest to the minister that if, as the programme progresses, he finds that only the twenty-one year old men are going to be called, and that the men in that class will be available in sufficient numbers to fill the requirements, the government ought to give consideration to working out some other basis of selection. It might be done by lottery, as it is done in the United States, or on some other basis. Otherwise only the twenty-one year old men in Canada will have training, and the other young men in other age groups will not be compelled to take that training.

Mr. GARDINER: If the war were not going on year after year and a system of this kind were established, we could say that probably only the twenty-one year age class would be called up. If we kept calling out the twenty-one year age class and then sent them home after four months, in ten years every one between the ages of twenty-one and thirty would have received training. I do not, however, anticipate that this will be the condition. I may say that the announcement made to the press was not to the effect that the twenty-one year age group would be the only group called; it was to the effect that if there were sufficient men in the twenty-one year age class, that would be the only class called; if it were necessary to go beyond that class in order to obtain a sufficient number of men, that would be done. The twenty-one year age class was the only one mentioned, but I think it will be found that the wording was sufficiently broad to cover what I am saying.

Men are enlisting continuously, and it is just possible that if 25 per cent of the twenty-one year age group should enlist, there would not be enough men to fill the camps. They might enlist in the air force, the navy or somewhere else. As we go on with the war, it may become more and more necessary to take in the higher age groups in order to fill the camps if we are going to continue to have four months training. I should not like it to be understood that it is definitely decided that we are going to call for training only those in the twenty-one year age group. The intention is to start with that group and continue calling them as long as we need men for the camps.

Mr. DOUGLAS (Weyburn): Is it the intention of the government to take a larger body of men? Are the facilities to be extended so that they can take more than 6,000 a month as time goes on?

Mr. GREEN: Is it the intention to train 72,000 men a year, or will there have to be deducted from that total those who are found to be unfit after having been called up?

Mr. GARDINER: I would rather leave those questions for the Minister of National Defence. As a matter of fact, our duty is to get the number of men asked for by the Department of National Defence. If they were to ask for more than the registration figures indicate we have, we would have to notify them, but so long as the request is within the number we have, we try to get the men for them.

Mr. GREEN: A minute ago the minister mentioned that there were some industrial training schemes which took men from under the National Resources Mobilization Act. What are those training schemes?

Mr. GARDINER: The Minister of Labour has some schools which are operating to train men for certain lines of work. There may be a limited number of those training for industry who would be engaged in something that might be considered part of the war effort. It was military training schools I had in mind a moment ago.

Mr. GOLDING: With further reference to the remarks of the leader of the opposition, I have had representations made to me in connection with cases which are similar to the one he quoted. I should like to give two illustrations. Just east of our town is a young man whose father is dead and who is working 150 acres all alone. He was called out for training, and I advised him to take the thirty-days training because there was a probability that it might be increased to four months. He had to hire someone to do the work of the farm. This boy is about twenty-four years of age and he put in his thirty days. Spring is now coming on; seeding will have to be taken care of, and then there will be the harvest later on. It seems to me that in a case like this it is just too bad to take this boy off the farm.

The other case I have in mind is that of a young man just north of our town. His father was in hospital for two or three months and has not been and will not be able to do anything because he has a severe case of diabetes. There are two boys, one twenty-one years of age and the other seventeen. They had to take the younger boy out of collegiate on account of a heart condition. The result was that there was only the one boy to work the farm. I took this case up with the department here and with Mr. Martin, the divisional registrar, and I must say that the case received kind consideration.

These two cases are representative of many others throughout the country. In these days when farmers are having a difficult time, when they can hardly get any labour, it seems a hardship that young men like these should be taken from the farms under the present trying circumstances. I am glad the leader of the opposition brought this matter to the attention of the committee, because I had intended to make representations when this question was up. Some provision should be made to look after cases of this kind.

Mr. SENN: I am in hearty agreement with the hon. member who has just taken his seat (Mr. Golding), as well as with the representations which were made by the leader of the opposition (Mr. Hanson). It seems to me that it would be a hardship for young men who are the only persons on farms to be taken at any time. There are large sections of Ontario where the work of the farm is just about as great in the winter as it is in the summer. This is true of dairying or any other type of farming where live stock is kept. The work of caring for live stock is increased in the winter when the stock must be kept in the stables. The minister should give serious consideration to providing complete exemption for these young men.

If they are taken away from the farm for any length of time, it will mean a serious loss in farm production. We have been told that farm production is necessary for the winning of the war, and I believe it is. The time is coming, and not far distant, when we shall need increased supplies of all kinds from the Canadian farmers. Again I ask the minister to give serious consideration to exempting all young men who are bona fide farmers and who are alone on farms.

While I am on my feet I should like to refer to the suggestion offered the other day by the hon. member for Hastings-Peterborough (Mr. White), that it might be wise to set up boards of exemption to be headed by county judges. If a number of these boys are called up on any particular date, there is likely to be congestion before boards sitting in the military districts. The boys from my particular locality will have to apply to the board in Toronto, and undoubtedly there will be a large number asking for exemption. If there is congestion, it will mean that the boys will have to wait for some time before their cases are heard. I cannot see why the county judge, who is impartial and should be fair, could not be vested with authority to say whether a postponement or an exemption should be granted. I leave this to the minister's discretion.

Mr. GARDINER: Under the regulations as now drafted it is not necessary that a man should appear in person. He may make his request in writing. In all probability, if a man has a bona fide case and presents it in

writing, his training will be postponed for the one call. He may be asked to prove his position before the second or third month, but the first call would likely be postponed.

Mr. SENN: It seems to me that a difficulty would arise there. There would still be congestion as each case would have to be considered on its merits. A boy might wait until the last day before he is to go to training camp in order to hear from the division where his case was being considered. He would not know whether to hire someone to take his place, if it was possible to hire anyone, and he might have to leave the next morning without having made provision to carry on the work of the farm.

Mr. BOUCHER: I had a case in my office quite recently. The minister will remember that within eight days of the call a young man is supposed to apply for exemption if that is desired. This particular young man had sole charge of a small farm, with a small herd of cattle. He was called for service and he got exemption. There were eight days within which, if his exemption was not granted, he would have to make arrangements for someone else to operate the farm. The uncertainty causes a great deal of hardship where there is only one man to manage the farm. He may be the only son of a farmer. I think advance notice of at least a month should be given so that a young man, if he is not granted exemption, can make arrangements for having his farm looked after while he is undergoing military training. I would urge that there be a little more certainty in this regard so far as calling farmers' sons is concerned.

Mr. HOMUTH: Are any of the exempted classes being called and used in other work than soldiering? I refer to the Mennonites, the Doukhobors and so on. Are they being called up and used in some war effort?

Mr. GARDINER: Up to date there has been no call other than the military one. This question came up during the thirty-day training period. The Mennonites, for example, had asked that some means be found whereby they could perform a service to the state, which they asked the privilege of doing, but it was thought best to leave that matter until the question of a longer training period which was then being considered had been decided. Now that this question has been decided, there are provisions written into the regulations making possible the setting up of other methods of training and other methods of service which may be helpful in the prosecution of the war in which these persons may be engaged. I cannot give the details at the moment because the matter is being worked out with these people at the present time, but later on we shall probably have something to suggest in regard to it.

With regard to the period of eight days within which the young man will know whether his training is going to be postponed or not, after all there are only thirty or thirty-one days in a month and 6,000 calls are being made each month, so the month is pretty well divided up between the time of notice for medical examination, the time after medical examination and the time they are supposed to apply for postponement. Therefore I do not see how we could extend the time very much beyond the eight days and be able to carry on from month to month.

I would, however, say this, that as soon as the terms of the regulations are known, every individual has an opportunity at least to find out what they are, and these discussions here from time to time will perhaps enlighten them more or less with regard to what is expected. One does not need to wait until he is called in order to get full information with regard to the whole matter. A man can apply for postponement immediately after his medical examination, or even before medical examination. I do not think there is anything to prevent that. At all events, immediately after the medical examination they can send in their application indicating their position. That would speed up the time within which a reply could be received from the board. I do not, however, see how we could extend the time very much beyond what is allowed now.

Mr. DOUGLAS (Weyburn): Could notice not be sent out sixty days ahead?

Mr. GARDINER: Everyone who is approaching twenty-one years of age has his notice now that he is likely to be called at any time. We call first those who were twenty-one last July. The next group is those who were twenty-one last August. The next group is those who were twenty-one last September, and so on. Therefore every young man who reads the newspapers or the regulations knows when he is likely to be called.

Mr. DOUGLAS (Weyburn): Could a man not get notice on April 1 that he was to report for training on June 1?

Mr. GARDINER: No. The young men who became twenty-one last July, and a sufficient number of those who became twenty-one last August to make up a total of 6,000 men, would get their notice to report on the 20th of March. The next group would begin

from there, going on through August, September and so forth, taking the different age groups.

Mr. BROOKS: I should like to say just a word about farmers' sons attending camp and the difficulties occasionally experienced. Out of some 2,200 men who went through my camp I had probably half a dozen to twenty cases which might be called serious ones. The trouble with most of them was that the men had not applied early enough for postponement of training. If they had applied for postponement as soon as they received their notice, it could probably have been arranged, but they left it until it was nearly time for them to report at the training centre and then it was too late for the board to arrange for substitutes to take their place. One department concerned has to supply a certain number of men for training and the other department has to train them. Therefore, when a man leaves his application for postponement to the very last minute, it is impossible for the board to notify other men to take their place and fill up the 750, or 1,000, or whatever may be the number required. I would suggest to the department that it might be well to send out their notices a little earlier and at the same time advise these men that if they wish to apply for postponement, they should apply immediately. In that way much of the difficulty would be obviated.

There are other cases that come up during training. The father, or a brother who has been left at home to look after the farm, may become sick and a request be made that the young man be released from the training camp and be sent home to look after the farm. That happens quite frequently. When the case is properly presented to the authorities, I can state that there is very little difficulty in having the man sent home. He is given credit for the time he has spent in training, and he will come back at some later date to complete his training.

I do not like to quote individual cases, but the most extreme one I had was that of a young man who had left his brother at home to look after the farm, with a housekeeper. His mother and father were dead, and the brother who was left at home had infantile paralysis. The housekeeper, who was not a young person, felt that she could not look after this invalid brother and the stock as well, and she left in the middle of winter. The chap with the infantile paralysis tried to look after seven head of cattle, some hogs and a couple of horses. I got word from a neighbour of his that this invalid man was dragging himself around on his hands, trying to get water for the stock and looking after the pigs and cows, and he wanted to know if something could not be done to release the brother immediately. I took upon myself the responsibility of releasing the man and notified military headquarters at Saint John, and they approved what I had done. There is not as much difficulty, when these cases are taken up, as sometimes we might think there would be.

Mr. SENN: I should like to ask the minister about one particular case I have in mind. He stated that the young men who were twenty-one last July or August are being called up in the first draft. He also stated that postponement will be allowed in certain cases where it is considered necessary. If those postponements go through the next two training periods, the man will be over twenty-one; he may be twenty-two or more before he is called up. What will happen in a case of that kind? Will he still be called after he reaches the age of twenty-two?

Mr. GARDINER: When once he is called, he is subject to call any time later. The postponement may be, in some instances for a definite time; in others, it may be with power to call him at any time. He may not be called for a year and a half if he is working in some particular industry, but he is always subject to call.

Mr. HANSON (York-Sunbury): It is not wise, I suppose, to generalize from isolated instances such as have been presented here to-day by myself or others. I wonder, however, whether the minister, in giving this matter consideration—and I know he and his officials must have given grave consideration to the principle upon which this draft is made—has definitely barred out the principle of selectivity. It seems to me that the door should not be barred to a change, having regard to the fact that the war effort, especially the industrial war effort, of the country is increasing in tempo all the time. I invite the minister and his advisers to give attention to incorporating in their regulations the adaptation of the principle of selectivity which obtains in other jurisdictions.

We have been dealing with isolated cases of farmers' sons, or where there is an only son, or where the son is head of the family, and so on. I suggest to the minister that some people should stay on the farm, and some people should stay in industry. Unless there is an invasion of Canada there are those who should definitely remain at their jobs, while others of a different category of age and so forth can much more easily be spared for the defence of the country and should take on this army training. I have thought that

the principle is too rigid, confined as it is to a particular class, and without any attention being paid to exceptions unless in cases where we are said to be under contract, if I may use that expression, with particular communities, communities of religious thought, or with conscientious objectors—and I include them in the same category. Would the minister say whether the principle of selectivity has been definitely abandoned? I think it is a fair method and it is followed in other jurisdictions.

Mr. GARDINER: If by selectivity the hon. member means the drawing of lots, or anything of that kind, as to what person should be called—

Mr. HANSON (York-Sunbury): No; I am not speaking of that.

Mr. GARDINER: —I would say that we are not making use of it. I would not say that it is not being considered or not being thought of. The same thing might be said to be true if the suggestion is that, let us say, all agriculturists engaged in a certain way in farming should be exempt. In that sense we have not accepted the theory that selectivity should apply. To the extent, however, that a person's time of training might be postponed because he is engaged in a certain industry, particularly in a seasonal industry, or that the time of service might be postponed because he is at present engaged in something essential to the prosecution of the war, that is some manufacturing industry, to that extent there is selection. That is, instructions are, through the regulations, being given to the boards which are sitting that certain things are to be done which would result in a selection being made, leaving some persons working at industries which are regarded as important, and taking others for training, for the time being. In that sense the selective element enters into what is being done.

Mr. HANSON (York-Sunbury): That is quite a limited sphere.

Mr. GARDINER: I would say it is limited.

Mr. DIEFENBAKER: With regard to choosing this number of 6,000 a month, will the choice be made in direct proportion to the population of the several provinces?

Mr. GARDINER: It is made in proportion to the number of twenty-one year olds, or whatever class is being called, that the registration shows to be in that district; that is, in relation to the number desired by the Department of National Defence. The department ask us for so many men for a certain camp in a specified military district. We then try to find the numbers there are in certain regions of that district, and divide up proportionately in those different areas.

Mr. DIEFENBAKER: I should like to know something with respect to these exempt classes to which reference was made some little while ago. I noted that, when the minister replied, he referred only to the Mennonites and to the willingness which they had expressed to be of assistance in the war effort in other phases than those which are directly military. I noted, however, that he made no reference to the Doukhobors, and they constitute a problem in Saskatchewan, as well as further west, which to-day is causing considerable unrest. Have the Doukhobors made representations to the minister's department that they will not serve under any circumstances, regardless of the call which may be given to them, even though such service be connected only with the construction of roads and work of that kind?

Mr. GARDINER: In making reference a few moments ago to the Mennonites, I did so because, before anyone, I believe, had made a suggestion that they should accept training, the Mennonites themselves intimated that they desired to have some sort of training provided for them. I believe they went so far as to say they were prepared to attend at camps and take training in first aid and ambulance work, indicating that they had no objection whatever to facing danger, that they were prepared to go into no-man's land or anywhere else and do a service for the country, provided they were not asked to kill. That is, they do not desire to take human life, or their belief is that under no circumstances should they take human life; but, short of that, they have no objections whatever to serving in any way the country desires them to serve, and they are willing to undergo any kind of training. They went even further than that; they said, "We are prepared to give free of charge to the state an equal term of employment." I believe they intimated, when we were using the thirty-day plan, that they were prepared to give two days for one, that is sixty days' labour to the state, in any work we liked to put them at, and that without any charge to the government. I mentioned the Mennonites because of the liberality, if I might use that expression, of the Mennonite people in making offers to do other things, since they object to military service itself.

Mr. HANSON (York-Sunbury): Has that offer been accepted?

Mr. GARDINER: We are trying to work out a plan. There is objection to having work done gratis for the government at a time

when some people are unemployed, but possibly there is not an objection to using these men to get the camps ready and do other work of that kind which is needed in connection with the training itself, and we are trying now to work out plans in that direction.

Mr. BROOKS: Would you organize labour battalions and give them the same pay as the soldiers?

Mr. GARDINER: They are not concerned about the pay. We probably would if we put them in, but they have not stipulated pay of any kind.

In dealing with the Doukhobors the problem is a little different; as far as I know, they did not come forward with an offer of that kind. Recently some inquiry has been made as to whether something might be done which would be satisfactory; whether the inquiry came first from the Doukhobors or began in our office I am not certain. There has, however, been correspondence between our office and the organization of Doukhobors along similar lines, that is, to find out what their attitude would be to service of that kind, and I am informed that a very considerable number of them are prepared to take part in similar training, or similar service. It is true there is a small proportion of the Doukhobor people, taking the numbers in western Canada as a whole, whom we shall probably find difficulty in getting to accede to any part of our regulations without some trouble. I do not know just what the final outcome will be, but at the moment we are negotiating in the hope that it will finally result in as nearly as possible one hundred per cent of both Mennonites and Doukhobors being satisfied to take on some kind of training.

Mr. HANSON (York-Sunbury): Are there any conscientious objectors in Canada apart from these groups that have been mentioned?

Mr. GARDINER: Yes, but the number is comparatively small.

Mr. HANSON (York-Sunbury): Are they being made use of?

Mr. GARDINER: Not up to the moment, but they would be subject to the same kind of thing.

Mr. GREEN: What are the provisions for dealing with conscientious objectors?

Mr. GARDINER: The regulations as drafted now are on exactly the same terms as the British. We did have different regulations for a time, but we found in practice that they do not work satisfactorily except in the form the British now have them drafted; that is, if a person claims to be a conscientious objector and can pretty well establish the fact, that is accepted.

Mr. QUELCH: When a boy is called up for a medical examination and is classed as C, would he be accepted? Can the minister state the basis of the classification?

Mr. GARDINER: I assume it is a matter of health. There is no one called for training below C1. Classes A, B and C are called up; we require them all in order to furnish the number necessary for the camp.

Mr. QUELCH: Exactly what state of health is indicated by class C1; how bad would a man's health have to be in order to be classified as C1? Would he have to be below normal in eyesight? Would a man who had to wear very strong glasses be called up, or would he be classified as C1?

Mr. GARDINER: I think I shall have to let some of the military men answer that question, either that or bring in the exact schedules on which the examinations are made. I am told that glasses are all right.

Mr. HANSON (York-Sunbury): Glasses are not all right in the navy.

Mr. GARDINER: I will place the exact schedules on the table.

An hon. MEMBER: Mennonites and Doukhobors have been mentioned; in what class are the Hutterites?

Mr. GARDINER: They are in a different group from the Doukhobors and Mennonites in that I do not think they have any legal rights to exemption in Canada, but they are conscientious objectors in the matter of military service, their beliefs being very much the same as those of the Mennonites and Doukhobors.

Mr. REID: I realize the difficulty the minister has in connection with the Doukhobors and Mennonites, but I trust the government, in their desire for unity, will not lean too far back and cause more unrest among our own people, because I can tell him that the Doukhobors in British Columbia are the only group I know of that successfully defied the laws of this country, and got away with it. When a law is passed and regulations are put into effect, those regulations and that law should be enforced, irrespective of who is concerned, even if it causes a little fuss.

Mr. LEADER: The statement of the minister regarding the attitude of the Mennonites should not pass without comment. Their offer to seek training in any line of military endeavour—except of course the necessity to kill—is deserving of commendation. They are willing to go to the front lines and serve as stretcher-bearers or in the medical corps, and for that they deserve credit, because

these people were admitted to Canada, I believe in 1873, under an agreed upon exemption from military service. We believe now that this was a mistake. I feel quite sure that the laws of Canada should demand of all her citizens that they be available for the defence of the country if the necessity arises. I feel confident that the younger generation of the Mennonites have the same idea and are willing to fulfil their obligations. We have quite a few Mennonites in my riding and quite a number of Hutterites, and I know a number of citizens of other races in my riding do object to seeing able-bodied men of this racial group who have come to Canada to make their home, staying at home and enjoying perhaps some increase of prosperity while other Canadians go and fight their battles. The very fact that the Mennonites have offered to do something in this war is a good omen and they should be encouraged to do more. I believe that the government should in future adopt the policy of not exempting any group from taking up the obligations that they owe to the state.

I was pleased to hear the minister say what he did for the sake of the Mennonites who reside in my constituency, and I wish to add my word of commendation that they have offered their services in this time of need.

Mr. McNEVIN: I wish to refer briefly to some remarks made by the hon. member for Peterborough West with respect to the operation and production of the munition plant at Lindsay. On two occasions I believe that the hon. member has spoken disparagingly with regard to the production and operation at this plant. The first occasion was in the first session of this parliament on May 30 last, as reported on page 384 of *Hansard* of 1940. I was reviewing the production there, and he remarked that at the Lindsay plant they were only producing brass sheets. I had to correct that statement and the point I want to emphasize is that the source of the hon. member's information at that time was unreliable.

Then, as reported at page 873 of *Hansard* of this session the hon. member referred to a statement by one of the aldermen of Lindsay, as reported in the Peterborough *Examiner,* and went on to say, "It is patronage of the worst kind." The only reference I desire to make to the statement of the alderman is that this plant has been in operation for approximately two years. In that time hardly a week has passed when I have not met or been in conversation with at least some members of the city council, and during that entire period I have not heard the slightest complaint from the council as a body, or from any member of the council, with regard to the operation of the plant. Further, at one council meeting which I attended the mayor was kind enough to say that I had not broken my word in connection with any pronouncement I had made regarding the production or the expected production at the munitions plant.

I want to emphasize that these suggestions of the hon. member reflect adversely upon two groups of officials. In the first place, they reflect upon the official in charge of the Lindsay office of the employment service of Canada. Hon. members who have given careful consideration to matters of this kind will, I am sure, agree that it is difficult to conceive of any position more difficult to fill than that of an employment officer, selecting men to be employed in any industry. That applies particularly where there is a large surplus of applicants for work; where, as in this case, few of those applying had any experience in the metal trades, which meant that a large number of applicants would come under the same classification. Perhaps there would be five or ten applicants for every job to be filled, and I am sure no official could administer work of that kind without disappointing someone. I should think that would be inevitable.

The other group of officials upon whom this suggestion reflects adversely are the superintendent and those associated with him in the administration and management of the plant. A great many of these men have been with the Department of National Defence for a long period of years, associated in various ways with the production and inspection of munitions. Latterly, of course, they have been in the employ of the Department of Munitions and Supply. These officials have had to perform a most trying and difficult task. In the first place, a government plant must do a certain amount of pioneering and experimentation with new machines and improvements on old machines. I am sure these officials have given freely of their skill, patience and perseverance and have put in very long hours, with a great deal of overtime, in an endeavour to produce munitions of the highest possible quality.

Just in that connection I should like to refer to the conferences I had with the senior officials of the Department of National Defence during the early negotiations leading to the reopening and putting into production of that plant. I am sure the present Minister of Pensions and National Health (Mr. Mackenzie), who at that time was Minister of National Defence, would agree that at those conferences and in those negotiations many difficulties were encountered in connection with this production. Some of the officials referred to the work done in that plant during the last war. I recall

one high ranking official who took no pains to hide his disgust, though that may be putting it too strongly, at the results obtained in that plant at that time. Another official went so far as to say that on an average the production of that plant had not been more than 50 per cent perfect; in other words, that 50 per cent of the production had been rejected.

From the beginning of the negotiations with regard to that plant it was my greatest desire, as I stated time and again, that the production should be of the highest quality, in order that our men at the front might be backed up with the very best type of munitions.

Mr. HANSON (York-Sunbury): Would the hon. gentleman permit a question?

Mr. McNEVIN: I should like to conclude first; then I shall answer any questions.

These officials went to the Lindsay plant with the idea in mind that they were going to make this a success, and I am happy to say on their behalf that I have known of much material that has gone through that plant that was 97 per cent, 98 per cent, and, in some instances, 100 per cent perfect. Therefore I do not think we in this house, or the senior officials of the Department of Munitions and Supply, can say too much in commendation of those employees who, under adverse conditions, have attained that measure of success.

I should like to make it abundantly clear that I do not bear the slightest ill will towards the hon. member who brought up this matter in the house. If anything further develops, he has only to telephone me and I shall be happy to come to his office, sit down at his desk and explain or answer questions freely. That is the best way to deal with some of these matters which perhaps are not as important as many other things with which the ministers have to deal. I have many warm friends in the riding of Peterborough, and I would not want to utter a word that might create the slightest conflict between that riding and my own. At all times, and particularly at this time, we must seek to develop the most friendly feeling and active cooperation not only between ridings, between members and between parties, but also between provinces and people of all classes, in order that we may put forth our very greatest efforts.

I might give an example of what I mean. Last summer officials of the civil aviation branch of the Department of Transport were searching for aerodrome sites, and it became known around the Peterborough district that they were having difficulty in finding a suitable site in that locality. The mayor of the city was kind enough to write me and we were able to arrange a conference so that I could meet with the mayor, the clerk of Peterborough, some of the aldermen and a number of the prominent citizens.

They said to me, "Mr. McNevin, if you are able to find a suitable location in your riding you can depend upon it that we will go down to Ottawa with you and back you up in every way, shape and form in order to assist you." That is a splendid spirit, and I want to foster and maintain it. The president of the Peterborough exhibition is a business associate of mine and a warm friend; I could go on and give further names. But I do wish to make it abundantly clear that I have nothing to hide and nothing to fear in connection with this matter; and, as on this occasion, I am going to defend fearlessly the management and those who are concerned with the matter I have discussed.

Mr. HANSON (York-Sunbury): Mr. Chairman, the speech to which we have just listened opens up a very interesting avenue. I would ask the hon. member what jurisdiction he has over the arsenal at Lindsay. He does not represent the people, in that sense. What jurisdiction does a member of parliament, situated as this hon. member represents himself to be, exercise over the arsenal at Lindsay? He talks like a proprietor.

Mr. GARDINER: The right to go in and look at it.

Mr. HANSON (York-Sunbury): You and I have the right to go into it.

Mr. GARDINER: It is not so convenient for us.

Mr. HANSON (York-Sunbury): The whole tenor of the hon. member's remarks was that this plant at Lindsay is being shepherded by him, that he has control of it, and that what he says goes. By the same token he undertakes to give a certificate of character to the Murphys over the Moriarities. He makes a comparison between production in this war and production in the last war, a comparison which may or may not be justified.

The speech to which we have just listened illustrates the contention which has been made from time to time from this part of the house that there is partisan participation in production in Canada. That ought not to be. If that sort of thing gets into the minds of the people of Canada, as I fear it has got in, what possibility is there of our having a united war effort? What possibility is there of having a united people behind the drive now in preparation to produce, we will say, a thousand million dollars for the war effort of Canada? I suggest to the ministry that they take this hon. member behind the curtain and say to him that he should have nothing whatever to do with the operation of the

arsenal at Lindsay. Would it not be presumptuous on my part if I went to Colonel Brooks, my colleague, and suggested to him how he should run the thirty-day training plan camp of which he has command. I think he would kick me out of the door, and he would be justified in so doing.

Mr. RALSTON: Not because of partisanship, but because you did not know anything about it.

Mr. HANSON (York-Sunbury): Oh, perhaps I know more about it than some people think. No, it would be because of interference on the part of a sitting member. That is what I object to, and that is all I am contending at the moment.

Mr. GARDINER: I thought the hon. member had suggested how the thirty-day camps ought to be run.

Mr. HANSON (York-Sunbury): No, I suggested how the training should be done—and by the same token I might as well deal with it right now.

I had intended to say something about the thirty-day training plan. I could repeat what I said on an earlier occasion, and in a moment I may revert to what I said in the house on November 22 of last year. First of all I would say that with respect to the number of men who have been trained it was the understanding of the people of Canada that large groups from 21 years to 24 years would be called. This afternoon we cross-examined the minister—and I believe we did so in a constructive way. We attempted to ascertain the facts, without introducing bitterness or anything of the kind. It is quite understood, I believe, that none of these groups is exhausted—not even the 21-year-old group. The purpose of this form of conscription—and notwithstanding what the minister or anybody else may say, it is a limited form of conscription—was primarily to train an army of men for the defence of Canada on this continent, and incidentally, as we have been told on more than one occasion, to acquaint young men in this country with army life. In this manner it was intended to give recruiting an additional impetus, if a larger army were needed immediately. Those were at least some of the objectives which were stated to the house and the country, and upon which the thirty-day training plan was predicated.

Furthermore, if I may be permitted to allude to the fact, the chief of the general staff was put up at the Canadian club of Ottawa last summer to introduce the subject to the people of Canada.

[Mr. R. B. Hanson.]

Mr. RALSTON: I denied that once before. Nothing of the kind happened. Will my hon. friend permit me to make a statement?

Mr. HANSON (York-Sunbury): Yes.

Mr. RALSTON: My hon. friend suggested the same thing before. I want to tell him that the chief of general staff was not put up at the Canadian club. The chief of general staff, without any knowledge of mine, was asked by the Canadian club to address the Canadian club, and I gave my consent to his doing so.

Mr. HANSON (York-Sunbury): I accept the minister's word, and I withdraw the words "put up." But the chief of the general staff did give at the Canadian club at Ottawa a statement of the government's position with respect to the thirty-day training plan. He could not have done it, in announcing a policy of that calibre and that character, without the full concurrence and consent of the government. And the people of Canada understood that he was speaking on their behalf.

Mr. RALSTON: He did not announce a policy at all.

Mr. HANSON (York-Sunbury): He did not?

Mr. RALSTON: No; he gave a statement as to what the policy had been.

Mr. HANSON (York-Sunbury): What the policy was to be.

Mr. RALSTON: And he said he recommended it.

Mr. HANSON (York-Sunbury): What the policy was to be, he said.

Mr. RALSTON: No, no.

Mr. POWER: There were two camps on the day he made that statement.

Mr. HANSON (York-Sunbury): No, there had not been two camps at the time he made that speech. The speech to which I refer was made at the Canadian club at Montreal, in the summer time.

Mr. RALSTON: No, no.

Mr. HANSON (York-Sunbury): Yes, it was made in the summer time.

Mr. RALSTON: The chief of the general staff made a speech at the Canadian club here in Ottawa.

Mr. HANSON (York-Sunbury): And it was a long time anterior to the first camp.

Mr. RALSTON: No.

Mr. HANSON (York-Sunbury): Anyway, he made a speech. One of the reasons he alleged that only a thirty-day training plan could be instituted was the inadequacy of the equipment then available. A further reason was that these young men had to be taught something of their national obligations—neither of which, I suggest, was a reason creditable to Canada or to the government. I will leave it there.

Offhand I cannot remember the date, but I am satisfied I am correct. Then, shortly after the scheme was put into operation it was found that the training was wholly inadequate for the primary purpose of the defence of Canada.

Mr. POWER: It was during the session.

Mr. HANSON (York-Sunbury): I overheard the Minister of National Defence for Air say that it was during the session. I made my speech here on November 12.

Mr. POWER: It was about that time.

Mr. HANSON (York-Sunbury): And the session began—

Mr. POWER: On November 7.

Mr. RALSTON: I can give the exact dates. As I remember, the first camp was called for October 9, the speech was made on October 23.

Mr. HANSON (York-Sunbury): All right.

Mr. RALSTON: And that is not an announcement of policy at all.

Mr. POWER: I will apologize to my hon. friend if he will apologize to me.

Mr. HANSON (York-Sunbury): I certainly will, in the interests of good fellowship and good feeling. That just shows how frail is the human memory, but it does not alter the course of my argument. In the speech which I made on November 12 I did not condemn the scheme. I pointed out what I thought were the weaknesses, but I pointed out also what I thought were some of the advantages. I did that on eye-witness evidence, and in the belief that I should bring it forward in this house. My colleague did the same thing. He did not condemn the plan in toto; he said it served a useful purpose and he was rather proud of some of the men and the advance that they had made.

I suggest to the minister that it must have been known to him soon after the scheme was put into operation that the training was wholly inadequate for the primary purpose of the defence of Canada. Upon trial it was found that the limited training period was not long enough to prepare these men to be put into the field against a well-trained and disciplined enemy. There were reasons for that. In the first place the syllabus was too crowded, being based upon a seven and a half hour day for twenty-two of the thirty days. The daily syllabus comprised ten forty-five minute periods. There was a total of 220 periods with a five minute rest allowed between periods. The syllabus provided for drill, gas, bayonet, rifle, field craft, road marches, military education, physical training and anti-aircraft work. Spare periods were also included, and all these items were taught within the short space of 220 forty-minute periods. In other words, each trainee was given about 146 working hours of instruction, less what he spent on fatigue or picket duty or in the hospital. That last item became very important during the last training period because of the prevalence of flu. This was nobody's fault, of course.

It was found that the average recruit or trainee could not properly absorb all the material in the short space of time allowed. To spend more time on each subject would cut down the period of training and consequently fail to achieve even an approximate basic training. Therefore, there was no alternative but to lengthen the period of training. When the defects of the crowded training period became apparent, I think I was among the first to suggest the lengthening of the period. I should like to refer to a statement I made in this connection on November 12, during the debate on the address. At that time I made some very constructive suggestions which were offered after discussion with some of the best military men in Canada. These men had examined the matter without prejudice and in the light of a desire to do the best under the circumstances for these trainees and in the belief that we were not getting value for our money. I quote from page 23 of *Hansard:*

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

I intend to deal with that phase of the matter at a later time. I then went on to say:

> After giving the matter the best consideration I can, and having obtained the best advice I can, I am going to make two concrete suggestions. I hope the minister will give heed to them, because these suggestions are offered in the best of good faith, designed to achieve an objective which I think both he and I have at heart.
>
> The first suggestion is that the length of time of training for these men be increased to at least four months, and that we train three groups a year instead of ten. The first eight weeks of this four months' course should be designated the basic recruits' course, and the second eight weeks the trained men's weeks, and graduation being required from one course into the other.

I pause here to say that apparently the government has incorporated the principle

of that recommendation into the new scheme. For that I am grateful. It seems that the government are receptive to constructive suggestions.

Mr. POWER: We should be grateful to the hon. gentleman for making the suggestions.

Mr. HANSON (York-Sunbury): Exactly, but it is not up to me to say that. It is up to my hon. friend, and he has just done the right thing, for which I thank him.

Mr. POWER: I am doing it for the benefit of the Minister of National Defence.

Mr. HANSON (York-Sunbury): I then went on to say that I was not going to compare what we were doing with what they were doing in the United States. I quote further:

> My second concrete suggestion is this. I propose that all men, when they have received the four months' course, should be posted to the local non-permanent active militia units, not merely put on the reserve, as I understand is the present position. If I am wrong I hope my hon. friend will correct me. This would ensure their training being continuous and would prevent them from forgetting most of the rapidly given instruction already received, as will probably be the case under the present plan. It would keep up their morale, which to-day I am glad to think is magnificent. These young men have fine morale and we ought to keep that up.
>
> The non-permanent active militia units are probably able to absorb one or two groups, but their facilities for doing so would soon be overtaxed. Therefore it is extremely difficult to post the trainees from the thirty-day course to the non-permanent active militia units because of excess of numbers and lack of facilities. The saturation point would soon be reached.

That position has been given effect to, in principle if not in detail. But what bothers me and a good many people in the country is this: after we have given a four months' course how is the country going to capitalize—if I may use that term—upon the investment we have made in these young men? I am not a military man and I do not understand all the terms used by the Minister of National Defence and his colleagues. My hon. friends run off the alphabet just as people do in the United States when referring to the new deal, and it does not mean anything to me. But that is my fault. These men, as I understand it, are posted into the non-active army, but that is only on paper in many cases. When they have completed their thirty-day course, or their four months' course as it now becomes, a poll is taken as to whether they will enlist in the active army or in other active war services.

Mr. POWER: It is taken after two months.

Mr. HANSON (York-Sunbury): At some period.

Mr. RALSTON: Is my hon. friend talking about the present plan?

Mr. HANSON (York-Sunbury): I was talking about the thirty-day plan. The present plan has advanced that position somewhat, but the same basic weakness is there as was apparent under the thirty-day scheme. How is the country going to capitalize—I am not sure that is the proper term to use—how is the country going to retain its equity—if that is not too inhuman a term to use with respect to men—how is the country going to retain its right to the services of these men under the present regulations and the present plan?

Mr. REID: They will be attached to the militia.

Mr. HANSON (York-Sunbury): On paper only, and that is not good enough.

Mr. RALSTON: My hon. friend uses the word "right". I do not think he means that. He asks: how is the country going to retain its right to the services of these men? There is no question that the country retains the right to their services. If my hon. friend will permit me, perhaps he means to say, how is the country going to get the benefit of the training they have already done?

Mr. HANSON (York-Sunbury): That is the idea. The country theoretically has the right—

Mr. RALSTON: Absolutely, not theoretically.

Mr. HANSON (York-Sunbury): Well then, absolutely. The country has the right absolutely to the services of its nationals for the defence of the state.

Mr. RALSTON: No, but under these regulations.

Mr. HANSON (York-Sunbury): Under these regulations in a limited sense that is true; but the country has no right under these regulations to use these men to defend this country abroad, and that is the weakness of the whole position. The country has the right to utilize the services of these men in the event of an invasion of Canada. But time and again we have had it explained in this house by the ministry that the first line of defence in this country is not here but over there. Why, then, has the government not had the courage to go the whole way and retain the absolute right to utilize the services of these men for the defence of Canada over there, after giving them four months' training and spending the huge sums of money that have been spent on their military education? That is going the whole length and putting

the thing in a nutshell. It shows the weakness of the whole position of the government with respect to this training. The government will have to justify its failure to go the whole way before the eyes of the people of this country before the people will be satisfied. This thirty-day training plan has cost a huge sum of money. If you include the capital expenditures on the camps, the hutments, the preparation of the ground, it has cost I should say $25,000,000.

Mr. RALSTON: It is not fair to include that, is it?

Mr. HANSON (York-Sunbury): It is fair to include part of it. Just how much you should allocate to the individual training periods or for the individual trainee I do not know. I have not made a calculation. I know that this is capital expenditure, just as the purchase of a uniform is treated in the first place as capital expenditure, but the one runs off much more slowly than the other. A huge sum of money has been spent on this training plan, and if the system were to stop now, the cost per unit would be exceedingly high. I do not wish at this time to get into a discussion of the cost of the training plan because I propose to discuss that a little later. I notify the minister now that I am going to have something to say about the construction of some of these camps. I venture to suggest that in the mad rush and haste that was exhibited by the government after it really started to do something in June last, the country has lost a huge sum of money; that proper business administration was not brought to bear, and that these camps have cost at least twenty-five per cent more than they ought to have cost.

If I might digress for a moment, I took the trouble to ask the best builder I could find in New Brunswick to go over the specifications in connection with these hutments, and I know what he said about the cost of construction. When I get the break-down of these figures I hope I shall be able to demonstrate—

Mr. RALSTON: You do not hope that.

Mr. POWER: You should be sorry.

Mr. HANSON (York-Sunbury): The minister's smile and his words are very disarming. I will change my expression out of consideration for him and his feelings and say that I think I shall be able to demonstrate that the officials of this department did not have very much consideration for the public treasury. That is a substantial weakening from what I had intended to say, thanks to the disarming smile and expression of the minister. However, perhaps it serves my purpose just as well.

There is no doubt about it, Mr. Chairman, that no consideration was given to the taxpayers by the permanent officials of the army in building these hutments. Look at the specifications for the lumber that went into them and the mad haste with which the material had to be procured in order to satisfy them and keep construction going.

Take the case of Debert, about which I happen to know something. It is not one of the training centres but it will illustrate my point just as well. Requisitions were made on the Department of Munitions and Supply by the Department of National Defence for lumber of a kind and quality and of specifications which under normal lumber manufacturing conditions in eastern Canada could not readily be supplied in the quantities wanted. The big mills are manufacturing their stocks to-day based largely on the quality and calibre of the round logs which are delivered to them, and which the sawyer has to utilize to get every foot he can out of the logs. This manufacturing is done in very limited quantities of lumber of the specifications that were required by the Royal Canadian Engineers who had charge of this work.

Mr. RALSTON: Will my hon. friend name a particular sample?

Mr. HANSON (York-Sunbury): I was thinking particularly of the 10-inch lumber which had to be planed on four sides. I happen to know who bought the lumber for Debert. He was a first-class lumber buyer who had been lent to the timber controller by one of the best lumbering companies in Canada, and his services were given free. He went down to Nova Scotia to buy the timber, and because they required the timber to be delivered within such a short time he had to go hither and yon to get it, if he could get it delivered at all according to the specifications, and he had to pay very high prices for it because of the haste. Just imagine paying $31 to $35 a thousand for hemlock. Anybody in eastern Canada who knows anything about it knows that is a very high price. I have statements on my files upstairs showing that prices of $31 to $35 were paid for planed hemlock. The Minister of National Defence for Air, who comes from a lumbering family, will know what scandalous waste there is in paying prices like that.

An hon. MEMBER: What would be a fair price?

Mr. HANSON (York-Sunbury): I would say that $20 would be a big price.

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): Hemlock is an inferior class of wood.

Mr. PURDY: I would hate to have to pay my men on the basis of receiving $20 a thousand for hemlock.

Mr. HANSON (York-Sunbury): I happen to have had something to do with lumbering, and the mills I represented never in their lives got $35 for hemlock. I admit that the price of $35 included truckage, although there was a siding right on the camp. But the stuff was trucked into camp from Little Mills in Colchester county. The man from whom this lumber was bought for the Debert camp was H. J. Mackenzie, a life insurance agent in the town of Truro, and he was my hon. friend's campaign manager in the last dominion election.

Mr. PURDY: On a point of order, I ask the hon. gentleman to withdraw the statement that Harry J. Mackenzie was my campaign manager.

Mr. HANSON (York-Sunbury): All right; if the hon. member denies that he was his campaign manager I will take that back. But I will say this, that he was a life insurance agent.

Mr. RALSTON: It was sold to this purchaser?

Mr. HANSON (York-Sunbury): Yes.

Mr. RALSTON: This expert purchaser?

Mr. HANSON (York-Sunbury): Yes. I will give the minister the name if he wants to know. I prefer not to put it on record, but I will tell him who he is and what firm employs him. He bought at least 280,000 feet of these boards from Mr. H. J. Mackenzie, life insurance agent of the town of Truro, who is represented to me to have been the campaign manager of the hon. member for Colchester. If the hon. member says that is not true, I accept his word absolutely. But he was not a producer, and as far as I know he did not have a dollar's interest in a lumber mill in the county of Colchester.

Mr. RALSTON: Will my hon. friend permit me? Of course, it is not in my department, and I have not heard either of the names before: I have not yet heard the name of the lumber buyer.

Mr. HANSON (York-Sunbury): I will give the minister the name of the lumber buyer.

Mr. RALSTON: I would be interested to know why this lumber buyer would go to an insurance agent to purchase.

Mr. HANSON (York-Sunbury): So would we—absolutely. I should like to know how he got in touh with Mackenzie.

[Mr. R. B. Hanson.]

Mr. RALSTON: I thought he was given a certificate of character.

Mr. HANSON (York-Sunbury): Yes. Because of the pressure on him to get the stuff in; he could not get it from the big mills in New Brunswick; he could not wait. It was the old story of "Cox can't wait." Perhaps my hon. friend knows that.

Mr. RALSTON: Yes. Who was the lumber buyer?

Mr. HANSON (York-Sunbury): The lumber buyer was a Mr. McCabe of Campbell, MacLaurin Lumber company.

Mr. PURDY: And he was a Conservative candidate in Toronto.

Mr. HANSON (York-Sunbury): I never heard of his being a candidate. I have not any idea of his politics.

Mr. PURDY: He was also president of a Conservative association.

Mr. HANSON (York-Sunbury): I hope so. I know his principal is a first-class Conservative; and he gave this man's services to the timber controller at the timber controller's request, and he operated without a dollar of expense to this government.

Mr. POWER: This looks like collusion between the Grits and the Tories. It is a "fishy" deal.

Mr. HANSON (York-Sunbury): Perhaps it is. May I ask the hon. member for Colchester if any of his production went into those camps through Mr. H. J. Mackenzie. I do not know, but I am not debarred from asking that question.

Mr. PURDY: I ask the right to answer that question here and now. Not one stick.

Mr. HANSON (York-Sunbury): I accept the hon. gentleman's statement without question. I make no charge. I do not know. But I have the right to ask that question.

Mr. GARDINER: I do not think you have.

Mr. McNEVIN: Have I not the right to say what I did this afternoon?

Mr. HANSON (York-Sunbury): Surely. The hon. member has the right to say anything he wants to say in this chamber, so long as he does not violate the rules of the house. And I have the right to criticize what he has to say. Let me proceed.

To come back to the general principles, the cost of the camps was greatly increased because of the pressure of the national defence departments to get these camps built in order that they might be put in operation. If there had

been proper business administration, these camps could have been built at a saving to the country of from one-fourth to one-third.

Mr. RALSTON: That would have meant some delay, and that would have been "red tape" then.

Mr. HANSON (York-Sunbury): Possibly it would. Of course, we always leave an avenue open.

Mr. RALSTON: It would have been "red tape."

Mr. HANSON (York-Sunbury): I do not know any people who ought to know more about red tape than the representative of the defence departments.

Mr. RALSTON: But I say that if all this business care had been taken, it would have been characterized as red tape.

Mr. HANSON (York-Sunbury): I do not think so. I believe that the tender principle in this country is still a good, sound, safe principle, even in war time.

Mr. RALSTON: I thought the man who purchased was a man who could himself purchase. I did not know that the hon. gentleman suggested that the man who purchased was not a good buyer.

Mr. HANSON (York-Sunbury): The minister has got his wires crossed.

Mr. RALSTON: What did the hon. gentleman talk about the tenders for?

Mr. HANSON (York-Sunbury): I spoke of tenders for the construction of these buildings. Perhaps it is my fault that I did not make it clear. I would not suggest for a moment that the minister's mind was obtuse; that would not be fair.

Coming back for a moment to the construction of these camps, to tell me that the camp at Fredericton cost $254,000 is to advertise to this country government incompetence and government waste, and I believe that an analysis of the whole break-down will reveal it.

Mr. RALSTON: My hon. friend will have a full opportunity to show it if he can.

Mr. HANSON (York-Sunbury): I am taking the opportunity. I am under no obligation to the minister for that.

Mr. RALSTON: My hon. friend thinks that taking up time at this stage, at the tail-end of the week, to bring up these matters, with no chance to reply, is taking a proper opportunity, when he knows that there is a committee on expenses going into these very matters?

Mr. HANSON (York-Sunbury): I think I am entitled to take my own time and my own method to make my presentation. I notice the government does not give very much consideration when they want to make a presentation. They seize time by the forelock; they take whatever time they want, and we are not to be denied the like privilege.

Mr. RALSTON: Nobody is denying any privilege. I am only saying that this is not the right way. If my hon. friend thinks this is the way in the public interest to investigate these matters, nobody is stopping him.

Mr. HANSON (York-Sunbury): The public are talking about this. My whole city is seething about the cost of these thirty-day training units.

Mr. GARDINER: That is because the hon. gentleman lives there.

Mr. HANSON (York-Sunbury): I could give the hon. gentleman a lot more. Who was put in charge of the construction?

Mr. RALSTON: I cannot tell my hon. friend.

Mr. HANSON (York-Sunbury): The Liberal zone captain in the city of Fredericton was put in charge of the construction, and he had the hiring of these men. Hon. members can imagine what happened. I will give the minister his name if he wants it. His name is Hayward Allan.

We have already dealt, sufficiently I think, with the question of the defects in the medical examination. That was discussed here on a previous occasion, and I must say that the number rejected after they got to the training centre seemed to me very large. I do not, however, think any blame can be laid on the department for that. The defect was that there was not uniformity in the preliminary medical examinations. I do not believe that the doctors who examined these men were fully instructed. The result was that a large percentage were rejected when they came to the medical board at the training centre. That may have been inevitable. One should not be dogmatic about that unless one has satisfactory proof of the facts, which I have not.

I am not going to take up the third defect of the thirty-day training scheme, connected with the question of withdrawal of men from essential war industries. We have debated that subject quite sufficiently, and I believe that the regulations, if they are to be put into effect, will provide satisfactorily for non-interference with war industry. The only argument that I can draw from that, and the recommendation I make, would be that there

should be some form of selective draft so as not to interfere with war industry or with the farm boy who cannot be spared.

I suggest that another defect of the scheme was—and this will be rectified in a measure by the four months' scheme—that it was too expensive, with a constant turnover of men. Partly to train a man and then return him to civilian life where he would forget all about this very preliminary training was unsound. The better plan would have been to complete his course entirely and then absorb him into the active army.

The plan for the future provides that the twenty-one-year-old class will be called up for training and the call will be confined to them. Six thousand will be called up the middle of this month—I think the call is out now and they will be on hand next week—and 6,000 each succeeding month; then there will be a rotation. These men will all receive basic training for two months. After this they can volunteer for service in any branch of the army, navy or air force for service overseas if openings are available, otherwise they will be retained for a further two months for specialized training in one or other of the branches of the army. Some of these young men will be taken into the active army at the end of the first two months if they wish to enlist. But there is no obligation.

I suggest to the minister in all frankness that that is a real defect in the system. He might give consideration to remedying that defect as time goes on. I am sure he is of the same mind as I am. If he cannot give effect to that principle now, will he take it into consideration and possibly at a later stage in the war give effect to it?—because I believe that should be done.

I shall not go further into this aspect of the matter, but there is one other point to which I should like to refer. The minister has partly cleared it up in the statement about the officers' training courses that are to be set up. During the present break period instructional staffs in the various centres should I think have been given a uniform course of advanced training. The young men who went into the training centres as instructors were very keen, but they themselves had had only a limited training course, because, owing to the drain that had been placed upon our instructional staff for the overseas divisions, they were new men. I think at one time I suggested to the minister that it might be good policy for the department to bring back from England some of the non-commissioned officers and other trained men, and it may be that partial effect has been given to that principle. But there was a great weakness in the system because the officers themselves knew little beyond the syllabus of the thirty day plan. They were new men as a rule—some of course were older; all they had had themselves was partial training over a period of two or three weeks, and what they could gather night by night by the most intensive study—

Mr. RALSTON: My hon. friend is wrong about that; they were not new men.

Mr. HANSON (York-Sunbury): Well a great many of them were new men. The minister says categorically they were not new men; I tell him many of them were new men in the work of instruction.

Mr. RALSTON: The way my hon. friend puts it, it sounds as if they were brought in off the street.

Mr. HANSON (York-Sunbury): No, the minister knows better than that. I did not say that, and it was no proper inference to take from what I said. These staffs of instructors consisted for the most part of officers and non-commissioned officers from the non-permanent active militia units. Their training was limited. Anyone knows how much training the non-permanent active militia had before the war. It was negligible. There could not be proper training. It is of no use to harp on that now; it is past and gone, and no one in particular is responsible—we just felt that we could not afford it. In the light of after events we see now that it was a mistake, but none of us have at a given time all the vision we ought to have in respect to what may happen in the future.

It is suggested that there should be set up between periods not only these officer training schools that the minister has I think very properly intimated will be established, one at Brockville and one in the west, but also schools at various centres for the training of the non-commissioned officers. My information is that these after all are the men who do the actual work of instructing and training under the supervision of an officer. I may be wrong, but I do not think the officers themselves are the actual instructors. I understand the instruction is given by the non-commissioned officers under the supervision of the officers. There ought to be more intensification of their instruction in order that they may be able to instruct the trainee. Whether we have enough trained instructors among the non-commissioned officers in these training camps to proceed with a four months'

syllabus I do not know, but I am informed that we have not. If we have not, the matter should be rectified, and I have no doubt it is receiving attention from those in authority.

Mr. RALSTON: I propose on Monday to give a statement in answer to what the hon. member for Vancouver South has said. I should like very much to accept the invitation of the hon. member to give a short statement with regard to the object of this training.

I regret that the leader of the opposition thought fit to bring these matters up, particularly with regard to the purchase of lumber, and so forth, in the absence of my colleague the Minister of Munitions and Supply. I shall endeavour, however, to get information about that also and give it to the committee on Monday.

Progress reported.

On motion of Mr. Ilsley the house adjourned at 6 p.m.

Monday, March 17, 1941.

The house met at three o'clock.

PRIVILEGE—MR. REID

REFERENCE TO ARTICLE IN "NEW CANADIAN" OF FEBRUARY 28—FURTHER COMMENT IN "NEWS HERALD"

Mr. THOMAS REID (New Westminster): Mr. Speaker, I again rise to a question of privilege. On Friday last when the house opened I took occasion to rise to a question of privilege in connection with an article which had appeared in a Japanese-owned and printed newspaper in Vancouver, wherein certain remarks were made concerning myself.

I am in receipt this morning of an article sent to me by air mail. This article appeared in the Vancouver *News Herald* of March 15, and under the heading "Reid Claims B.C. Members Make 'Malicious' Attack," it states:

Tom Reid (Liberal, New Westminster) issued a blanket charge in the House of Commons yesterday that fellow British Columbia members had made a "false, malicious" attack on him.

The article continues:

Refers to Green.

Reid said that he was referring especially to Howard Green (Conservative, Vancouver South) and Angus MacInnis (C.C.F., Vancouver East). He declared their attack had been over the Japanese problem in the Pacific province.

"I have never tried to raise hostile or racial hostile feeling against the Japanese," he said. "I merely tried to point out at times the dangers of giving the Japanese the franchise."

Whether the Nipponese were Canadian born or not, Reid declared, they owed their first loyalty to Tokyo, not to the dominion.

In fairness to the hon. members and in fairness to myself I believe some correction should be made, because when I spoke on Friday last I made no reference slightingly to any hon. member. I was dealing particularly with an article printed and directed against myself, which had appeared in the *New Canadian*, a paper issued by the Japanese of Vancouver.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ROYAL CANADIAN AIR FORCE—COMMISSIONING OF OFFICERS

Mr. ROSS (Souris):

1. On completing a course of training in the R.C.A.F., what basis is followed in granting commissions and sergeant's rank?
2. What standard of examination is required for these various ranks?
3. Who is responsible for these appointments?

Mr. POWER: It is presumed that this question refers to aircrew trained under the British commonwealth air training plan.

1. Approximately 50 per cent of the aircrew trained as pilots or air observers are to be commissioned. Approximately 33 per cent are awarded on graduation and 17 per cent awarded for service in the field. The remainder of the aircrew trainees who complete their training are promoted to the rank of sergeant on graduation.

2. The standard of examinations on completion of the course is in accordance with the syllabus of training as approved by the air ministry. The examinations consist of:

Ground subjects—These include navigation, signalling, airmanship, ground gunnery and the theory of bombing.

Flying training—Consisting of aerobatics, forced landing, service manoeuvres of aircraft in the air, air gunnery and practice bombing.

Officer qualities—An assessment made by the instructors during the course of training, considering capabilities as to leadership, initiative, educational background and deportment. The assessments in the above phases of training determine the degree of efficiency of all trainees and is the basis of selection for commissioning.

3. The process of making the appointments to commissioned rank begins at the school where a board of officers is formed to recommend 50 per cent of each class for appointment to commissioned rank. This board submits their recommendations in order of priority

for the whole class. The recommendations are forwarded to the air officer commanding the command in which the school is located and he in turn submits to air force headquarters his recommendations for appointment to commissioned rank. Appointments to commissioned rank are made under the authority of the Minister of National Defence for Air. The minister's appointments are made on recommendations of a selection committee, presided over by a wing commander of the Royal Canadian Air Force and composed of representatives of the R.A.F., R.A.A.F., R.N.Z.A.F. and the R.C.A.F. All appointments made in the services of the commonwealths other than Canada are, of course, subject to their respective governmental approval.

CHATHAM, N.B., TRAINING SCHOOL

Mr. HATFIELD:

1. Who was the contractor for the construction of the foundation for the Chatham air training school at Chatham, New Brunswick?

2. After the foundation was built, was it found necessary to change the location?

3. If so, why was the change of location made?

4. What was the contractor paid for the first foundation?

5. What was the contractor paid for completing the second foundation?

Mr. POWER:

1. John Flood and Sons Ltd., 111 Princess Street, St. John, N.B.

2. Contractor had worked only four days on original site before notification of change was given. During this time he had moved his materials, tools, etc., on to job.

3. The aerodrome development committee considered the north site more suitable for the building area for the following reasons:

(a) The contours of this location are such as to make it easy to obtain adequate drainage.

(b) Water supply could be obtained more easily.

(c) The required stumping is not excessively greater than that required for the south location.

(d) Road construction need not be extensive.

(e) Closer to town than the south side location.

(f) There is room for expansion if required.

(g) It has better visibility, as it is on a higher location.

4. The contractor has not submitted an account for work done on original site, to date.

5. The total amount of the contract awarded to John Flood and Sons Ltd., which was for the buildings and foundations, was $126,590. A separate price for foundations was not tendered.

[Mr. Power.]

ALBERTA AIR TRAINING SCHOOLS

Mr. HANSELL:

1. What type of air training schools are located at Macleod, Granum and Claresholm, in the province of Alberta?

2. How much money is allocated for the construction of each of these three schools?

Mr. POWER:

1. Macleod—No. 7 service flying training school.

Granum—Relief field for Macleod, No. 7 service flying training school.

Claresholm—No. 15 service flying training school.

2. Macleod—$1,483,918.05. Granum—$218,-138.59. Claresholm—$1,531,322.30.

LIFE INSURANCE, 1930-39

Mr. MARSHALL:

1. What was the total amount of life insurance terminating during the ten-year period January 1, 1930, to December 31, 1939, under the following headings: (a) lapse; (b) surrender; (c) expiry; (d) death; (e) decrease; (f) maturity; (g) disability?

2. What was the percentage under each heading of the total terminations for the same period?

3. What was the net increase in amount of insurance in force for the same period?

Mr. ILSLEY:

1. The total gross amount of life insurance held by dominion registered companies, terminated during the ten year period January 1, 1930, to December 31, 1939, under the following headings, is as follows:—

(a) Lapse	$2,910,853,801
(b) Surrender	2,786,920,851
(c) Expiry	371,548,633
(d) Death	465,354,396
(e) Decrease	1,171,090,701
(f) Maturity	141,701,099
(g) Disability	11,420,883
Total	$7,858,890,364

2. The percentage under each heading of the total terminations for the same period is as follows:—

(a) Lapse	37·04%
(b) Surrender	35·46%
(c) Expiry	4·73%
(d) Death	5·92%
(e) Decrease	14·90%
(f) Maturity	1·80%
(g) Disability	·15%

3. The net increase in gross amount of insurance in force with dominion registered companies for the same period is $634,917,273.

*NATIONAL RESOURCES MOBILIZATION—DEPENDENTS' ALLOWANCES

Mr. MacINNIS:

1. Are the dependents of persons called for training under the National Resources Mobilization Act, who were married after July 15, 1940, eligible for dependents' allowance?

2. If dependents' allowance is paid is it at the same rate as for persons in the armed forces?

Mr. RALSTON: The answer to this question is that the regulations have not been issued in connection with this matter. They will be issued very shortly.

Mr. HOMUTH: Could the minister give us an idea as to when the regulations will be down? It is rather important.

Mr. RALSTON: I think almost at once.

PASSPORTS

Mr. REID:

1. How many passports have been issued by the government during the fiscal years 1930 to 1940?

2. What respective amounts of money have been received by the government for passports issued during the fiscal years 1930 to 1940?

Mr. MACKENZIE KING:

1. Fiscal Year

	Passports	Renewals
1st April, 1930 — 31st March, 1931	29,116	3,286
1st April, 1931 — 31st March, 1932	25,377	3,009
1st April, 1932 — 31st March, 1933	27,050	3,835
1st April, 1933 — 31st March, 1934	22,844	3,628
1st April, 1934 — 31st March, 1935	22,513	3,909
1st April, 1935 — 31st March, 1936	21,041	3,766
1st April, 1936 — 31st March, 1937	26,302	4,043
1st April, 1937 — 31st March, 1938	25,255	3,823
1st April, 1938 — 31st March, 1939	21,406	3,253
1st April, 1939 — 31st March, 1940	12,282	1,971
	233,186	34,523

Passports	233,186
Renewals	34,523
Total	267,709

2. Fees received by the government for issue and renewal of passports during the fiscal years years 1930 to 1940:

April 1, 1930 to March 31, 1931	$149,428.66
April 1, 1931 to March 31, 1932	128,091.34
April 1, 1932 to March 31, 1933	142,379.99
April 1, 1933 to March 31, 1934	121,689.35
April 1, 1934 to March 31, 1935	120,210.15
April 1, 1935 to March 31, 1936	111,773.45
April 1, 1936 to March 31, 1937	142,945.01
April 1, 1937 to March 31, 1938	130,560.20
April 1, 1938 to March 31, 1939	112,269.87
April 1, 1939 to March 31, 1940	64,368.72
	$1,223,716.74

INCOME TAX

Mr. SHAW:

How many individuals in Canada are in receipt of the following incomes, as shown by the income tax returns filed in 1940, (a) $10,000 to $25,000; (b) $25,000 to $50,000; (c) $50,000 to $100,000; (d) in excess of $100,000?

Mr. GIBSON: (a) 9,901; (b) 1,433; (c), (d), 483.

It is not deemed in public interest to answer (c) and (d) separately.

RECOGNITION OF FRENCH PROVISIONAL GOVERNMENT—FRENCH LEGATION IN OTTAWA

Mr. CHURCH:

1. Why is not the French provisional government of General de Gaulle recognized in Canada?

2. Does the government still recognize the Vichy government in view of the further demands of Germany on Vichy and its new belligerent policy against Britain, as announced by the deputy premier, Admiral Jean Darlan on March 10?

3. Have they still an embassy in Ottawa, where is it located, who is its head and who are the members of the staff?

4. Is there any inspection thereof?

5. Has Canada an envoy or consul general in France, of the Vichy government? If so, where, and what are his functions?

6. Has the government had any correspondence with the government of Vichy or of Great Britain in the matter?

Mr. MACKENZIE KING:

1. General de Gaulle has not set up a French provisional government.

2. The government's position in relation to the French government remains as it has already been stated, on more than one occasion, in the house.

3. France has a legation in Ottawa located at 42 Sussex Street. It is headed by the French Minister, M. Rene Ristelhueber. The members of the staff are:

M. Henri de Lageneste, First Secretary;
M. Jean du Boisberranger, Second Secretary;
M. Raymond Treuil, Commercial Attaché.

4. Inspection of diplomatic legations is not in accordance with international law or practice.

5. Mr. Pierre Dupuy, who was secretary in the Canadian Legation in Paris, acts as Chargé d'Affaires to the governments of France, Belgium and the Netherlands. His headquarters are in London.

6. Yes.

MILITARY DISTRICT NO. 5—M. C. FAGES

Mr. ROY:

1. Does M. C. Fages, of Quebec, hold a position in military district No. 5 at Quebec?
2. If so, what are his rank and duties?
3. What does he receive in pay and allowances?
4. Did he serve in France during the last great war?

Mr. RALSTON:

1 and 2. District recruiting officer, military district No. 5, with rank of major.

3. Pay and allowances of rank, i.e., $7.75 per diem—dependents' allowance, wife $55 per month, children, $12 per month per child up to and including two.

4. No. Canadian expeditionary force service in Canada, 1914 to 15th July, 1918, when he proceeded to England. Returned to Canada and demobilized 25th November, 1918.

OUTSTANDING TREASURY BILLS

Mr. BENCE:

1. What is the total amount of treasury bills now outstanding?
2. Upon what dates were they authorized and sold?

Mr. ILSLEY:

1. $230,000,000.
2. Authorized by order in council dated — Date sold — Amount

Dec. 11, 1940—Dec. 12, 1940....	$40,000,000
Dec. 28, 1940—Dec. 30, 1940....	35,000,000
Jan. 17, 1941—Jan. 15, 1941....	40,000 000
Jan. 31, 1941—Jan. 30, 1941....	35,000,000
Feb. 14, 1941—Feb. 13, 1941....	40,000,000
Feb. 25, 1941—Feb. 27, 1941....	40,000,000

[Mr. Mackenzie King.]

ISLE OF ORLEANS MILITARY STATION

Mr. ROY:

1. Has the Department of National Defence a military station on the Isle of Orleans?
2. Have any complaints been received respecting the manner in which it has been conducted?
3. If so, what is the nature of these complaints?
4. Has the Royal Canadian Mounted Police been instructed to make an investigation into them?
5. If so, has any report been received thereon?

Mr. RALSTON:

1. Yes.
2. No.
3, 4 and 5. Answered by No. 2.

SURPLUS APPLE CROP

Mr. ROY:

1. For what portion of the surplus apple crop of 1940-41 has the government assumed responsibility?
2. How and where was the surplus converted into apple products?
3. What apple products has the government distributed, to whom and in what quantities?

Mr. GARDINER:

1. Nova Scotia, up to 1,147,000 barrels; Ontario (a) up to 50,000 barrels; (b) for 40 cents per hundredweight to canners who have paid not less than 80 cents per hundredweight for apples 2¼ inches minimum diameter; British Columbia, up to 1,750,000 boxes.

2. By being converted into evaporated and canned apples and apple sauce in Nova Scotia. Small quantity in Ontario under 1(b).

3. British ministry of food, 23,978 cases evaporated; department of munitions and supply, 575 cases canned, 246 cases evaporated; department of justice, 30 cases evaporated; department of pensions and national health, 130 cases canned, 20 cases evaporated, 100 cases apple sauce; manufacturers for resale in the regular channels of trade, 3,106 cases canned, 143 cases evaporated, 24 half cases evaporated.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MUNITIONS AND SUPPLY—DEMURRAGE ON RAILWAY CARS

Mr. AYLESWORTH:

1. How much has the government paid since the outbreak of war, (a) to the Canadian National Railways; (b) to the Canadian Pacific Railway, for demurrage on railway cars containing materials and/or munitions and/or supplies shipped to or from plants owned and/or controlled by the government, or plants engaged in the performance of contracts for the government?
2. What amount was due and unpaid as of March 1, 1941, on such accounts?

WAR SAVINGS CAMPAIGN

Mr. FRASER (Peterborough West):

1. What was the total cost of the war savings campaign?
2. What was the cost of clerical assistance for the war savings campaign?
3. What was the cost of the publicity for the war savings campaign?
4. How many people received remuneration in connection with the war savings campaign?
5. What amount has been subscribed by provinces?
6. What is the per capita amount subscribed by provinces?

RADIO LICENCES

Mr. ADAMSON:

1. How many radio licences were issued in the fiscal years 1936, 1937, 1938, 1939 and 1940?
2. How many were issued in each province in each of the above years?
3. How many prosecutions were initiated for failure to have a radio licence in each of the years 1936, 1937, 1938, 1939 and 1940?
4. How many in each province?
5. How many convictions were obtained in each of the above years?
6. How many in each province?

CONSCIENTIOUS OBJECTORS

Mr. CHURCH:

1. How many conscientious objectors are there recorded in each military district in Canada?
2. How many are, (a) natives of Canada; (b) from the continent of Europe; (c) from the British isles; (d) from the United States; (e) from other countries?
3. What action has been taken to deal with them in each military or other district?
4. What work have they been ordered to do, or assigned, since the war started; how many, and where, in each military district?

SOLDIERS' TRANSPORTATION

Mr. CHURCH:

What sums have been paid monthly, since the beginning of the war, to the Canadian Pacific railway and the Canadian National railways, or any of their services, for transportation within Canada of members of his majesty's forces in Canada?

ALDERSHOT, N.S., MILITARY CAMP

Mr. BLACK (Cumberland):

1. What has been the expenditure in connection with the military camp at Aldershot, Nova Scotia, between September 1, 1939, and February 28, 1941, for, (a) land; (b) buildings; (c) equipment; (d) improvements to grounds; (e) drainage; (f) supplies and operating costs; (g) total expenditures?
2. What additional acreage has been purchased since September 1, 1939, stating, (a) names of former owners; (b) acreage acquired from each; (c) the price asked; (d) the price paid or offered; (e) the amount claimed, offered or paid to each person in occupation or possession of any such land without his having good title thereto?
3. What is the total present acreage?
4. What has been the total expenditures to contractors or for building materials and supplies, stating, (a) names of contractors, firms or individuals who were given contracts, or orders for building material or supplies in excess of $1,000 each; (b) nature of contract and class of material or supplies and total payments or commitments in each case?
5. What has been the total expenditures for drainage, stating, (a) the quantity of drainage or sewer pipe purchased, the quality, the unit and total cost delivered; (b) the names of the firms or individuals supplying same and the unit and total expenditures for purchases from each?

LAUZON, QUE., MILITARY CAMP

Mr. ROY:

1. Have buildings been constructed at Lauzon for the accommodation of recruits?
2. If so, what was the cost?
3. Was the work done under contract or by day labour?
4. How many feet of lumber were purchased for the construction of such buildings?
5. Were tenders called for? If so, from whom were tenders received, who was the successful tenderer and at what figure?
6. Were tenders called for the feeding of recruits stationed at Lauzon? If so, who tendered, who was the successful tenderer and at what price?
7. Has the government received any complaints with regard to the management of this camp? If so, of what nature?
8. Did the Royal Canadian Mounted Police investigate such complaints?
9. Was any person discharged and were thefts discovered?
10. Was the inquiry suspended and were representations made to the government in favour of the suspension? If so, what were they?
11. Did the Royal Canadian Mounted Police submit a report to the government?

MOTION FOR PAPERS

UNEMPLOYMENT INSURANCE—ONTARIO REGIONAL SUPERINTENDENT

Mr. LOCKHART:

For a copy of all applications, correspondence, findings, reports and other documents in the possession of the government or the civil service commission, relative to the selection of regional superintendent, grade 2, for the province of Ontario, advertised under number 40-1190, in connection with the Unemployment Insurance Act.

May I ask that this motion be amended in order to simplify the work of the department, so that it will include only those who received the oral examination.

POSTAL CENSORSHIP

ARRIVAL IN CANADA OF CERTAIN BRITISH OFFICIALS

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the

Postmaster General (Mr. Mulock), and I should like to preface it by saying that if a reply is not considered in the public interest I will accept that explanation. Some six weeks ago there appeared a press notice to the effect that twenty-four officials had come from Great Britain and taken up residence in Vancouver to perform certain duties in connection with postal work in that city. My question is whether these officials are here at the request of the postal authorities of Canada, and what special work is required of them.

Hon. W. P. MULOCK (Postmaster General): The hon. member was kind enough to give me notice of his question. In reply I would say that he is correct in stating that approximately twenty-four men and women were sent from England to Canada in connection with censorship work. I would advise the hon. member that the facts in connection with this matter are as follows.

Representatives of the British government, including the director of imperial censorship, interviewed me and gave me certain information of a confidential nature which I do not consider it to be in the public interest to disclose at this time. I will say, however, that for reasons given to me at that time I agreed that Great Britain should send these people to Canada to do certain highly specialized censorship work. I feel that it is the duty of my department and myself as minister to cooperate to the fullest possible extent with the British authorities in this vital war work, while safeguarding the interests of our people in Canada. I was informed at the time the arrangements were made, and I have since been advised by officials of my department, that the people referred to in the hon. member's question have certain training, experience and qualifications for a special kind of work, and their duties are not merely those of translators or supervising translators.

Although the hon. member did not specifically ask, I think he would be interested to know that while in Canada these censors are under the control and direction of the chief postal censor of Canada, and that the expense of sending them to Canada was borne entirely by the British government. Further, although payment of their salaries is provided for in a vote under censorship in the war appropriations of the Post Office Department, the arrangement is that these moneys are repayable by the British government, who are responsible for the payment of their salaries, their respective rates of pay, and any allowances they may receive. Their employment in Canada has in no way affected the employment of Canadians for Canadian postal censorship work.

[Mr. Reid.]

FEED GRAIN

INQUIRY AS TO FEDERAL ASSISTANCE IN PAYMENT OF FREIGHT RATE TO BRITISH COLUMBIA

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to ask the Minister of Agriculture (Mr. Gardiner) if any representations have been made to the government of British Columbia offering assistance in the matter of freight rates on feed grains, similar to the assistance that has been offered other provinces.

Hon. J. G. GARDINER (Minister of Agriculture): The hon. member was kind enough to submit to me a copy of his question, and I have prepared the following answer.

No request has been received from officials of the British Columbia government to obtain for that province free freight privileges on feed grain similar to the arrangement whereby the federal government agrees to pay half the freight rate on grain from Fort William to any eastern point provided that the province of destination pays the balance of the freight costs. The federal government, however, in cooperation with the government of British Columbia, are carrying on negotiations with officials of the railways with a view to making arrangements with the railway companies whereby the higher grades of wheat in western Canada may be shipped to British Columbia at feed grain rates as provided under tariff C.F.A. 145 and C.T.C. 154, the rate which is more or less intermediate between the regular domestic and export rates on grain.

LABOUR DISPUTE

APPLICATION OF UNITED AUTOMOBILE WORKERS FOR BOARD OF CONCILIATION IN WINDSOR

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I should like to direct a question to the Minister of Labour (Mr. McLarty). I have a wire from the representative of the United Automobile Workers at Windsor to the effect that they asked for a board on February 17 and that up to last Saturday no word had been received in reply from the Department of Labour. I wonder if the minister would have something to say on that.

Hon. N. A. McLARTY (Minister of Labour): The hon. member for Vancouver East (Mr. MacInnis) was kind enough to give me notice of his question. The application for a board was received on February 19, I think it was, not the 17th, but that is immaterial. The application was one that was

not in order and could not be granted. I have been in continuous contact with the officials of the Canadian Congress of Labour in connection with this matter since that time. They are thoroughly familiar with any possible projected steps, and while it is possible that Mr. Burt has not been directly communicated with, I am advised by the congress officials that he has the necessary information in connection with the matter.

FOODSTUFFS FOR GREAT BRITAIN

WHEAT AND OTHER PRODUCTS FROM THE UNITED STATES—SUPPLIES FROM CANADA

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I wish to direct a question to the government. In view of the fact that, as reported by the Associated Press from New York under date of March 11, "a British inquiry for 22,500,000 pounds of United States lard" was "expected to be filled to-morrow"; and considering the suggestion made in a newspaper that the United States might give wheat and other foodstuffs to Great Britain, will the government tell the house whether or not the Canadian government has taken precautionary measures to see to it that Canada supplies Britain with those foods which Canada is eminently adapted to produce for Britain?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I may say to my hon. friend that, with respect to foodstuffs supplied to Great Britain, Canada is taking every precaution to see that we go as far as possible in meeting Britain's wishes.

UNEMPLOYMENT INSURANCE

QUESTION AS TO DATE OF COMING INTO OPERATION OF ACT

On the orders of the day:

Mr. GORDON GRAYDON (Peel): May I ask the Minister of Labour (Mr. McLarty) if he would care to inform the house when the unemployment insurance scheme is likely to come into operation?

Hon. N. A. McLARTY (Minister of Labour): I have heard it suggested in this house that it is sometimes dangerous to make predictions; perhaps it would be well, therefore, if I did not endeavour to mention a definite date. I can assure the hon. member for Peel, however, that the necessary machinery is being put into operation as fast, I believe, as is possible to ensure the very earliest possible application of the act.

There is one difficulty which I know the house will appreciate, namely, that the plan has to be one hundred per cent complete before it is put into operation. It is not something that you can develop at one point and then spread it to another. In other words, before operation of the act commences the whole plan must be completely organized and ready to start as a completed task; it is not one that can be gradually developed. I can assure the hon. member that no steps are being left untaken to ensure that the act will come into operation at the earliest possible moment.

TRANSPORT COMMISSION

JUDGMENT AS TO DISCONTINUANCE OF BEISEKER-LANGDON, ALTA., RAILWAY LINE

On the orders of the day:

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, on Friday last the hon. member for Bow River (Mr. Johnston) inquired in regard to the abandonment of certain railway lines in Alberta.

I have obtained some information in connection with this abandonment and may say that the judgment of the board of transport commissioners in connection with this matter includes a paragraph which reads as follows:

> Provided further, that said leave to abandon the operation of the said lines of railway in question is conditional upon the subsequent recommendation by the board, to the governor in council, for the sanction of the agreement between the Canadian National Railways and the Canadian Pacific Railway Company referred to in the application.

I am further informed that no application has been made to the board of transport commissioners by the railways concerned as contemplated in the above quoted paragraph and that it may be some little time before the contemplated application is made.

In consequence the position in regard to the grain elevators on the railway line proposed to be abandoned is unchanged.

ST. PATRICK'S DAY

SUGGESTED ADJOURNMENT AT SIX O'CLOCK

On the orders of the day:

Mr. ROBERT FAIR (Battle River): On Friday last I asked the Prime Minister whether the house would adjourn at six o'clock this evening in order that hon. members and their friends could properly celebrate St. Patrick's day. His answer at that time was that it would depend on the condition of the house to-day. I am very glad to see that the Prime Minister is in condition to be here

and would ask him for his opinion now as to the house continuing to sit after six o'clock this afternoon.

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say that judging from the condition of the hon. member who has just asked the question and the condition of other hon. members as I see them at the moment, the house will be in a first-rate shape to go on sitting this evening. Moreover, I am perfectly sure that St. Patrick will feel highly honoured if we do so.

ROYAL CANADIAN MOUNTED POLICE

STATEMENT AS TO QUESTIONING AND INVESTIGATION OF TWO JOURNALISTS

On the orders of the day:

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, at the last sitting of the house on Friday the leader of the opposition (Mr. Hanson) asked me to make a statement on a certain matter to which he called my attention. I quote his words, from page 1539 of *Hansard:*

> I should like to direct the attention of the Minister of Justice (Mr. Lapointe) to an article in this week's *Saturday Night,* which just by chance relates to the Royal Canadian Mounted Police and their activities, for which body I have the greatest respect. This article purports to have been written in reply to certain statements made in this house by the minister on March 4. In the article it is categorically stated that two journalists, whose loyalty is unquestioned, namely Miss Judith Robinson and Mr. Oakley Dalgleish, have been questioned and investigated by the Royal Canadian Mounted Police. It is suggested in the article that the purpose of this questioning and investigation was to intimidate these journalists who have been critical of this government's war effort. The freedom of the press is a matter of such vital importance that I believe this house is entitled to a full and complete explanation from the minister.

Complying with the request of my hon. friend, I desire to make this statement.

In the issue of March 1 of the Toronto *Saturday Night* an article appeared by "Politicus", in which is stated:

> Politicus knows of two cases of newspaper people of the highest loyalty and integrity whom the Royal Canadian Mounted Police are investigating and on whom they have a dossier. And in neither of these cases, both journalists being people whom Politicus knows well, is there the slightest doubt of their anxiety, perhaps over-anxiety, if there can be such a thing, for Britain to win this war, and of their responsibility.

On Tuesday, March 4, I stated in the House of Commons, in effect, that the commissioner of the Royal Canadian Mounted Police had advised me that such statement was incorrect.

[Mr. Fair.]

In the issue of March 15 of Toronto *Saturday Night,* "Politicus" again refers to this matter and names the two persons to whom he had reference in his article on March 1 as Miss Judith Robinson and Mr. Oakley Dalgleish, and gives certain information which indicates that these two parties were interviewed by a member of the Royal Canadian Mounted Police particularly for the purpose of obtaining the name of the printers who printed certain posters in connection with the "Calling Canada Campaign".

On the 6th June, 1940, the commissioner received a poster called "Tanks or King, You Can't Have Both", together with a request that information be obtained as to the parties responsible for the publication or printing of the document, there being nothing on the poster indicating such information.

On the 27th June, 1940, the hon. member for Essex East (Mr. Martin)—asked a question in the house respecting "Calling Canada" advertisements, and I replied, as reported at page 1183 of *Hansard,* in effect that I was submitting the matter to the law officers and to the Secretary of State.

On the 2nd July, 1940, this matter was raised in the house by the hon. member for York West (Mr. Adamson) and I replied, as reported at page 1245 of *Hansard,* in effect, after quoting a telegram I had received from Judith Robinson, Oakley Dalgleish and J. R. Robinson, reading as follows:

> Understand you wish to investigate our organization "Calling Canada". We are at room 264 Chateau Laurier.—

that it was not my purpose to investigate these highly estimable persons, and repeated, in part, what I stated on the 27th June.

The police, as a result of the request of the 6th June, 1940, for information, made an investigation. This was carried on under the Royal Canadian Mounted Police file heading of "Poster—Tanks or King, You Can't Have Both", and all information obtained in respect to such investigation is contained in that file.

The commissioner advises that there was no investigation made of Miss Robinson or Mr. Dalgleish, nor is there any individual or personal file or dossier in the police records respecting either of these two persons. The investigation respecting the poster was completed on or about the 23rd August, 1940, and no further inquiries have been made.

Miss Robinson and Mr. Dalgleish, contrary to the statement in the Toronto *Saturday Night* "that they have both been repeatedly and excessively 'quizzed' by an officer of the R.C.M.P." were each, in fact, interviewed in connection with this matter on only one occasion.

The loyalty and integrity of Miss Robinson and Mr. Dalgleish have never been questioned. They were merely interviewed, the same as anyone else might be interviewed in the course of an inquiry, who might have information relevant to the matter under investigation.

This statement is made in answer to the request made by the leader of the opposition (Mr. Hanson) on Friday last, the 14th instant.

MILITARY TRAINING

POSITION OF ONLY SON REQUIRED BY PARENTS FOR SPRING FARM WORK

On the orders of the day:

Mr. ANTHONY HLYNKA (Vegreville): I should like to ask the Minister of National War Services whether he is prepared to make an announcement of the government's policy in regard to the postponement of the four months' military training in cases where there is only one boy in the family and the parents wholly depend on their son's help for spring work.

Hon. J. G. GARDINER (Minister of National War Services): I made a statement with regard to this matter a few days ago when the question was under discussion and in committee. I can only add to what I then said, that the regulations will be placed on the table to-morrow, and a reference to the matter will be contained in the regulations.

DEBERT MILITARY CAMP

PARTICULARS OF ACTUAL AND PROSPECTIVE EXPENDITURES ON SITE AND BUILDINGS

On the orders of the day:

Hon. J. L. RALSTON (Minister of National Defence): The leader of the opposition (Mr. Hanson) asked on March 13 for information with regard to Debert military camp. If I may be allowed, I will put it on the record now.

Total payments to January 31, 1941:	
Labour—wages	$1,985,833 00
Materials and supplies	1,896,410 00
	$3,882,243 00
Commitments made to January 31, but not paid	$ 592,610 00
Estimated probable total expenditures to March 31, to complete:	
Buildings	$4,591,571 32
Services	1,104,000 00
Two rifle ranges (not yet built)	100,000 00
	$5,795,571 32

In amplification on the matter of buildings, I may say that there are 416 buildings, providing for accommodation, messing, administration, training, hospitals, supplies and recreation; also garages for servicing unit vehicles.

There are 82 temporary buildings consisting of warehouses, stores, store sheds, latrines, et cetera.

The services consist of clearing, roads, sewers and septic tanks, water, drainage and maintenance.

To give further particulars of that: the services include:

Clearing about 1,200 acres.
Roads, about 4½ miles.
Sewers laid:
30 sewer pipe laid, 4,500 feet.
24 sewer pipe laid, 12,000 feet.
12 sewer pipe laid, 18,000 feet.
8 sewer pipe laid, 29,000 feet.
6 sewer pipe laid, 5,000 feet.
Septic tanks:
H.Q., 3rd Can. Div.
A.C.S. lines.
7th Bde. area.
9th Bde. area.
Hospital area.
Water lines:
6-inch C.I. water pipe laid 18,000 feet.
4-inch C.I. water pipe laid 28,000 feet.

I should have said that, as stated by the director of engineer services, there will also be the usual maintenance and incidental services; and this does not include, as I have made clear before, the figure with regard to land. Options have been taken on 4,020 acres at a total option price of $79,050. The Department of Justice is now working on options on a further 3,000 acres. No option value is available yet on these parcels of land.

Mr. HANSON (York-Sunbury): That does not include the airport?

Mr. RALSTON: No.

Hon. C. G. POWER (Minister of National Defence for Air): With respect to the airport, the Debert airport and magazine were originally begun as a station in the home war establishment. Recently the airport and buildings, but not the magazine, have been handed over to the Royal Air Force. At the moment it is impossible to determine what proportion of the costs will be allocated to the Royal Air Force, and naturally any future commitments will be carried out by the Royal Air Force. I am having the matter looked into in order to see what portion of the cost will be borne by Canada in that the work will be useful to Canada after the war and generally speaking as a home station, and what proportion will be borne by the Royal Air Force as a Royal Air Force station.

ROYAL CANADIAN AIR FORCE

QUESTION RESPECTING DARTMOUTH, N.S., AIRPORT CONTRACTS

On the orders of the day:

Mr. P. C. BLACK (Cumberland): May I ask the Minister of National Defence for Air (Mr. Power) when the house may expect a copy of the report of W. N. Tilley, K.C., on the Eastern Passage airport contracts?

Hon. C. G. POWER (Minister of National Defence for Air): I have not as yet had Mr. Tilley's report. As soon as I receive it I will look into it, and probably in due course lay it on the table.

WAR APPROPRIATION BILL

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

The house resumed from Friday, March 14, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war.—Mr. Ilsley—Mr. Fournier (Hull) in the chair.

Mr. RALSTON: On Friday the leader of the opposition and my hon. friend the member for Vancouver South made certain inquiries with regard to training camps, and certain comments thereon, and I propose to deal with them and to give the committee such information as I can in this regard. As I indicated to the committee at that time, I felt that it was necessary, although it seemed to me that this was not the place to do it, to deal with some of the matters which have been referred to by the leader of the opposition in connection with some expenditures which have been made at Debert camp and at Fredericton.

There was a vague insinuation by my hon. friend that a man named Mackenzie, of Truro, was favoured in connection with a purchase of materials because of the fact of his political affiliation. I do not know Mr. Mackenzie; I do not know anything about his occupation; and therefore I got some information from the gentleman who dealt with him.

Hon. members will understand that the purchase of timber which was made for Debert camp, amounting to something like 26 million feet, was not made by the Department of National Defence, but by the Department of Munitions and Supply through the timber controller's office.

At that time the timber controller was Mr. H. R. MacMillan. I inquired from Mr. Loren Brown, who succeeded Mr. MacMillan as timber controller. Mr. Brown communicated with Mr. McCabe, who was referred to by my hon. friend as being the man who actually made the purchase of this lumber; and here is a telegram which Mr. McCabe has sent to Mr. Brown and which Mr. Brown handed to me.

> Reference lumber purchase from H. J. Mackenzie, this lumber bought in good faith from Mackenzie who represented himself as a lumber dealer and I was not aware of any different status. The prices were fair and reasonable in fact considerably lower than other competitive market prices. Before leaving Debert the bulk of the stock had been delivered, was up to standards specified and measurement correct, as I gave it personal examination.

I do not know what my hon. friend had in mind in referring to this matter. Down in Nova Scotia, so far as I know, the people generally speaking belong to one of two parties, either the Conservative or the Liberal party. Apparently Mr. Mackenzie happened to be a Liberal. Mr. McCabe says—and Mr. McCabe was given a certificate of character by the leader of the opposition—that he purchased this lumber from Mr. Mackenzie at prices considerably lower than other competitive market prices, that the stock was up to the standard specified, and the measurement was correct. I really do not know what object or what idea my hon. friend had in bringing up this matter.

Mr. HANSON (York-Sunbury): The point was this, if the minister will allow me—that Mr. Mackenzie was not a producer, but a middleman.

Mr. RALSTON: Does my hon. friend suggest that Mr. McCabe did something wrong in not purchasing from a producer; that he has to go to a producer, he cannot purchase from anyone else who buys lumber? I submit that that is a new principle, and in enunciating it he is condemning Mr. McCabe and nobody else. As a matter of fact, Mr. McCabe, so far as I can learn, is an estimable man, and a good lumber purchaser. He purchased as cheaply as he could, at competitive prices, and at prices, he says, lower than were some others.

Mr. HANSON (York-Sunbury): Does the minister say that Mackenzie was a lumber dealer?

Mr. RALSTON: I do not know whether Mackenzie was a lumber dealer or not. I have no idea, and I say it does not make any difference, if the lumber was purchased at fair prices and prices even lower than were paid to other people. The prices paid for this lumber were certified as being fair and reasonable by the timber controller or his office at that time; and from what Mr. Brown tells me, and from my hon. friend's own recommendation of Mr. McCabe I think the committee can be satisfied that Mr. McCabe, in making this purchase, was not influenced by any consideration other than obtaining the required lumber at the proper prices. I submit that that ought to be enough. I submit with deference that the time of this committee should not be taken up with it. My hon. friend ought to have known this. He has made inquiries from the timber controller, but he saw fit to bring this matter up in the committee, and take up the time of the house, and bring the hon. member for Colchester into it, and ask him a question which I submit should not have been asked by one hon. member of another on the floor of this chamber, in order to cast some smear of political influence over this transaction.

But I have not finished with that. There was a small quantity purchased from Mackenzie, Mr. Chairman. Do you know how much? There was 26 million feet purchased at Debert, and the total amount sold by Mackenzie consisted of two lots of 100,000 feet each, and another of 80,000 feet, 280,000 in all, or a little over one per cent of the lumber which was purchased at Debert.

Now, my hon. friend says that the lumber companies which he represents—

Mr. HANSON (York-Sunbury): I did not say anything about the lumber companies which I represent.

Mr. RALSTON: My hon. friend forgets.

Mr. HANSON (York-Sunbury): If I did, that was an error.

Mr. RALSTON: Well, I read it in *Hansard* this morning. I want to be clear about it.

Mr. HANSON (York-Sunbury): What page?

Mr. RALSTON: I will find it in a moment. Page 1560:

> I happen to have had something to do with lumbering, and the mills I represented never in their lives got $35 for hemlock.

Mr. HANSON (York-Sunbury): If the minister will allow me: I used the past tense, he used the present tense. There is quite a difference. I do not represent any lumber mills to-day, but for many years I represented many lumber mills in the business world of Canada—quite large ones.

Mr. RALSTON: My hon. friend, as he knows—and it is no disgrace whatever, and no insinuation goes with it—

Mr. HANSON (York-Sunbury): Then why use the word "represents"? That was an improper thing.

Mr. RALSTON: Well, then, "represented." I am going to deal with the companies he represented—if that is good enough. The company he represented was, I am sure, the Fraser company. I have no doubt about that. Let us take the Fraser company and the payments made to them as compared with the payments made to Mackenzie. By the way, my hon. friend said something about the Fraser company not having been paid $35 for hemlock, never in their lives having got $35 for hemlock. Anybody would think that they were selling hemlock to the government and not being able to get $35 for it. My hon. friend knows perfectly well that the Fraser company do not even list hemlock and do not sell it at the present time, but he rather gave the impression that they were selling to the government and did not get $35 for it.

Mr. HANSON (York-Sunbury): I did not say anything of the sort. That is the kind of special pleading for which my hon. friend is famous.

Mr. RALSTON: I gave my hon. friend the right to speak, but I will not give him permission to interrupt me. My hon. friend referred to the companies he represented, let us say in the past, and I say that my hon. friend is suggesting that in some way or another Mackenzie got some advantage because of the fact that he happened to be of a certain political faith. That was the suggestion. If that was not the suggestion, I do not know what it was.

Mr. HANSON (York-Sunbury): All right, let it go.

Mr. RALSTON: Now, on September 6, Mackenzie sold 100,000 feet of 1 by 4, up 6/16 feet, merchantable hemlock, dressed on one side, at $31. That was delivered by truck on the job at Debert. Fraser Brothers' list price at that time for a quality of lumber which was inferior to that—although it was not

hemlock—fifth quality spruce, 1 by 6 boards—and that is inferior to merchantable hemlock—

Mr. HANSON (York-Sunbury): Is that so?

Mr. RALSTON: —was $33 delivered Montreal, $31.50 f.o.b. cars, or, translating it into the Debert figures, according to the timber controller, it would be $33 delivered by truck at Debert, compared with $31 paid to Mackenzie.

Mr. HANSON (York-Sunbury): Who said the spruce was inferior?

Mr. RALSTON: The timber controller, and anybody else. Would my hon. friend say the contrary?

Mr. HANSON (York-Sunbury): I certainly say that spruce is superior to hemlock.

Mr. RALSTON: In other words, Mackenzie's merchantable hemlock was better than Fraser's fifth quality and better spruce and sold at $2 less than Fraser's price. That is one instance with respect to the company which my hon. friend represented.

Secondly, Mackenzie sold 100,000 feet of 1 by 5, up 8/16 feet in length, of merchantable spruce, dressed on one side, and in that case he got $32 for it. That also is better lumber, I am informed, than lumber quoted by Fraser's in their list, at a price which would net $33 to the department instead of $32.

So much for that. The next lot was 80,000 feet of spruce, 1 by 5, up 8/16 feet in length, merchantable spruce, dressed on one side, matched, finished 25/32 of an inch off the face, and he got $33 for that. That was delivered by truck on the job; that is sheathing. Fraser, on the other hand, sold to the timber controller fifth quality and better spruce sheathing, $31.70 f.o.b. cars at South Nelson. With freight added, they were paying Fraser Brothers $34.20 for what Mackenzie supplied at $33.

I find no fault with the timber controller for doing that, but I say to my hon. friend that, when he starts in to insinuate there is something wrong with this particular transaction, he had better compare it with those of people he knows something about.

Mr. HANSON (York-Sunbury): The only thing I think was wrong about it, and the only thing—

Some hon. MEMBERS: Order.

Mr. HANSON (York-Sunbury): —I had in mind was that it was bought from a man who was not a producer, not in the lumber business, when it should have been bought direct from the producer.

Mr. RALSTON: Then my hon. friend's quarrel is with his friend Mr. McCabe and not with the department.

Mr. HANSON (York-Sunbury): All right, we will let it go at that.

Mr. RALSTON: No, we will not let it go at that. In other words, Fraser sheathing may have had a slight advantage in finish because it is finished on both sides and you might allow fifty cents difference for that, although there is really no extra cost in planing both sides. The Fraser sheathing was a lower grade, fifth quality, as against Mackenzie's which was merchantable grade, and it was sold at $1.20 more than Mackenzie's.

Mr. HOMUTH: But there is a difference in cost for finish on both sides.

Mr. RALSTON: I have given credit for fifty cents for finish on both sides, and still it is seventy cents above Mackenzie's lumber.

My hon. friend talked about "mills I represented" never getting $35 for hemlock. I have already said the mills he represented were not selling hemlock last fall.

Mr. HANSON (York-Sunbury): How do you know they were not?

Mr. RALSTON: Because the timber controller tells me, and the hemlock is not listed by Frasers.

Now about the price paid for hemlock. This is my hon. friend's statement:

> Just imagine paying $31 to $35 a thousand for hemlock. Anybody in eastern Canada who knows anything about it knows that is a very high price. I have statements on my files upstairs showing that prices of $31 to $35 were paid for planed hemlock. The Minister of National Defence for Air, who comes from a lumbering family, will know what scandalous waste there is in paying prices like that.

Later he said $20 would be a big price.

Mr. HANSON (York-Sunbury): So it is, for hemlock boards.

Mr. RALSTON: Well, I had my officers go over a thousand acceptances of tender in order to find the price that he says was paid for hemlock. I am surprised that my hon. friend did not bring it down instead of talking about its being up on his table. It is true that $35 was paid for 20,000 feet of hemlock—note that that is less than one-tenth of one per cent of the lumber that was used at Debert. It was for 2 by 6, ten feet long and up, of merchantable hemlock, and $37 was paid for

forty thousand feet of 2 by 8, 10 feet and up, merchantable hemlock. The timber controller at that time was H. R. MacMillan, and his officials certified that that was a fair and reasonable price. I say that as evidence against my hon. friend's statement about its being a scandalous waste. He did not even give the size; he did not indicate that it was 2 by 6 and 2 by 8, minimum 10-foot lengths.

I wonder that my hon. friend did not in his statement give the firm from which that lumber was bought.

Mr. HANSON (York-Sunbury): I did not know anything about it.

Mr. RALSTON: Well, I will tell him. It was bought from Ralph and Arthur Parsons. They are a concern in Windsor, Hants county, Nova Scotia—reputable people, probably as strong Conservatives as there are in Nova Scotia. I knew their father very well. He was in opposition in the provincial house when I happened to be there, and opposed the present premier of Nova Scotia in Hants county. If my hon. friend had told the committee that the $35 was paid, not to some bad Grit, but to a firm who are his own political friends, the story would not have sounded so well. It took me half a day or more of going over files to find out what the situation was. I make no charge whatever against Ralph and Arthur Parsons. They are reputable people, so far as I know and believe. I make no charge against Mr. McCabe for having paid it; but my hon. friend did not do himself justice when he talked about hemlock at $20 a thousand when the timber controller himself has paid $35 and $37 to my hon. friend's own political friends for the same sort of lumber.

My hon. friend talked about ten-inch lumber planed on four sides, and this was his complaint:

> Requisitions were made on the Department of Munitions and Supply by the Department of National Defence for lumber of a kind and quality and of specifications which under normal lumber manufacturing conditions in eastern Canada could not readily be supplied in the quantities wanted. The big mills are manufacturing their stocks to-day based largely on the quality and calibre of the round logs which are delivered to them, and which the sawyer has to utilize to get every foot he can out of the logs. This manufacturing is done in very limited quantities of lumber of the specifications that were required by the Royal Canadian Engineers who had charge of this work.

That is a general charge that the specifications of the Department of National Defence are such that only a very small quantity can be obtained from the mills in eastern Canada because they do not manufacture that kind of lumber. I asked my hon. friend if he would name a particular sample, and he came back with his old friend that he mentioned last November. He said:

> I was thinking particularly of the 10-inch lumber which had to be planed on four sides.

In the first place, the specifications of the Department of National Defence were prepared by the Royal Canadian Engineers in consultation with the timber controller—who knew what lumber was available—the Forest Products Laboratories, and the Canadian lumber industry. There was no hit or miss about it; the specifications were prepared having regard to the possibility of getting the lumber, and were designed to take as far as possible the logs produced in eastern Canada, including the lowest quality that would suit the purposes specified. The fact that in three months' time there was purchased, mostly in eastern Canada, nearly 80 million feet of lumber for Debert, the air training centres down there, the naval establishments, and Sussex and other military projects, would rather indicate that my hon. friend is a bit wide of the mark when he says that only small quantities could be produced of the specifications laid down.

Mr. HANSON (York-Sunbury): They were special sizes.

Mr. RALSTON: My hon. friend said the specifications were such that logs could not be got out of which to saw them.

Mr. HANSON (York-Sunbury): Well, they were very expensive.

Mr. RALSTON: They could not have been; they were dried lumber. So let us lay that ghost with regard to the Department of National Defence putting out specifications which could not be complied with.

About the 10-inch planed on four sides, we discussed that pretty thoroughly when my hon. friend and I held the little debate across the floor last November, but he does not seem satisfied yet. I should like to finish that up too, because that is the particular instance he brings forward of a specification which is undesirable.

Mr. HANSON (York-Sunbury): Not undesirable, but too high. Very desirable if you can get it, but it costs too much.

Mr. RALSTON: Undesirable, he says, from the point of view of ability to get production. Does my hon. friend know that in the whole specifications for the Department of National Defence of 26 million feet for Debert there were just 600,000 feet of this 2 by 10? Does he know there is no builder or lumberman outside of himself, if he classifies himself as

one, who will say that is a specification which could not be readily complied with under normal manufacturing conditions in eastern Canada in the quantity required? There was no difficulty in getting the lumber. It is standard for floor beams and sills; it is more easily obtained than 4 by 10's, and it is stronger.

Now, what is done with it? I explained this before, but my hon. friend did not seem to listen. It is used for floor beams and sills, the two finished pieces spiked together, making by that process a 4 by 10. In spiking them together the joints are staggered; you do not have the same thing as a single piece of 4 by 10, but the joints are broken, with the result that you get a stronger piece of timber.

The reason for the planing on four sides, about which my hon. friend complained, is, in the first place, that there is a saving in weight and therefore in freight cost. The planed material packs into a smaller space than rough lumber and is appreciably less in weight. Secondly, the planed stuff is more easily handled and therefore the work can proceed just that much more quickly. Third, it gives uniform dimensions. I think my hon. friend knows quite a bit about lumber, and he knows that rough planks—and these are rough planks—are not sawn to the exact eighth or quarter of an inch. You have to put your planks on edge to make floor beams with a post underneath, and if you have them rough-sawn, and you have to shim up in order to take care of the irregularity which exists because of the sawing. That is all done away with when you have planed, dressed pieces of timber of uniform width. Then, again, the surface of the rough lumber is not true for nailing on the floors, because there is a certain amount of unevenness and waviness since there is not the same care taken in running a piece of lumber through a big saw that there is when you run it through a planer. Fourth, with that rough lumber, the faces do not fit tightly, and therefore strength is lost.

Let me say further, and probably he knows this, too, that I am instructed that the cost of planing on four sides is practically the same as the cost of planing on two. Probably there is a little difference in power, that is all—because you have a planer with four heads, which does the same operation at one time. Our engineers advise that it is economical to have lumber planed on four sides, that it is efficient, and a common practice, and that narrow widths are uneconomical for floor beams or joists.

I am going to finish this subject about planing on four sides, even at the risk of tiring the committee. My hon. friend seems to feel that he had some better way. He said last fall, on November 15, 1940:

> It costs about $20 a thousand more—perhaps not $20, but a good deal more—to have 2 by 10's instead of 4 by 6's, which would have the same carrying strength.

There was the statement of a man whom he thought was an expert that 2 by 10's cost a great deal more than 4 by 6's, and that 4 by 6's would have just as great carrying power. I have taken the trouble to check that. I will not go into detail, but let me say that 4 by 6's cost just five per cent more than 2 by 10's, and the 2 by 10's have a carrying strength of about 33⅓ per cent more. My hon. friend can check that if he wishes to. But I hope we have finished with this matter of cost of planing on four sides, and the necessity for it, and the question whether the specifications in the Department of National Defence are made having regard to the possibility of the lumber being supplied in the market. So much for lumber.

Then, with reference to the camp at Fredericton, My hon. friend said:

> Coming back for a moment to the construction of these camps, to tell me that the camp at Fredericton cost $254,000 is to advertise to this country government incompetence and government waste, and I believe that an analysis of the whole break-down will reveal it.

I believe I can say to my hon. friend with some assurance that his break-down will not reveal either waste or incompetence.

Mr. HANSON (York-Sunbury): We have not got it yet.

Mr. RALSTON: The training centre at Fredericton was one of four three-company centres, and it cost the least of all. The original estimate made was for $270,000, and this was based on known costs of similar buildings in central camps which had been built throughout the summer. And I may say that no allowance is made for overtime work in that.

Mr. HANSON (York-Sunbury): Were there any changes—were there any land changes in the other camps?

Mr. RALSTON: I am just taking the cost of construction. And no allowance is added to these costs for high speed requirements. Taking the cost of similar buildings which had been built at other camps, they added to these costs a percentage figure for exterior services, water, sewer, power lines and roads. There was no allowance in that $270,000 for overhead or job supervision.

The actual cost of that camp, for the information of my hon. friend, was $254,000. That is to say there was a saving on the actual cost

as compared with the estimated cost of something like $16,000. I want to say that around the Fredericton camp there was to be a fence which was not be be around the other camps, and that cost about $2,500 more.

To compare with the other camps which were built—the other three-company training camps—Fredericton was the lowest of any of them, putting them on the same basis, and leaving out the fence, which was not put around all the camps.

That is different from the general experience. The general experience has been that costs have been exceeded. It has been our experience that estimated costs have been exceeded by five per cent or ten per cent. My hon. friend said that he took the trouble to ask the best builder he could find in New Brunswick to go over the specifications in connection with these hutments, and he said:

I know what he said about the cost of construction. When I get the break-down of these figures I hope I shall be able to demonstrate—

And I interrupted—

—that the officials of this department did not have very much consideration for the public treasury. That is a substantial weakening from what I had intended to say.

I would like to have my hon. friend's friend at any time go over these specifications and submit them for examination by engineers; I think what I have said would be substantiated, namely that there has been a saving in the building of that camp, and that it was built at a fair price.

Mr. SLAGHT: He will not produce it.

Mr. RALSTON: Then my hon. friend referred to another matter. And here I must confess that it is along the lines of the Mackenzie thing. He does something which he is just a bit prone to do. He seems to have an obsession with regard to this matter of patronage in the area of Fredericton, New Brunswick. He says:

The Liberal zone captain in the city of Fredericton was put in charge of the construction, and he had the hiring of these men. Hon. members can imagine what happened. I will give the minister his name if he wants it. His name is Hayward Allan.

Well, my hon. friend makes an attack against Mr. Hayward Allan. He alleges that Mr. Hayward Allan used his position there in order to further the interests of the Liberal party. He knows, and he has been told that Mr. Hayward Allan was not in charge of construction, and that the man in charge of construction was Captain Ahern.

Mr. HANSON (York-Sunbury): He was not there, let me say to my hon. friend. Hayward Allan was in charge; I saw it myself.

Mr. RALSTON: My hon. friend knows that Hayward Allan was not in charge of construction, and that Hayward Allan was not in charge of hiring the men.

Mr. HANSON (York-Sunbury): I do not know anything of the sort.

Mr. RALSTON: My hon. friend does know. My hon. friend was himself in communication with Captain Ahern. I know a lot about it. I was surprised that my hon. friend would ask an officer to come to his office to discuss these matters. The officers down there are pretty busy just now. And if my hon. friend has any complaints to make I want him to make them to me, and not to the officers who are on the job.

Captain Ahern, who was in charge of this job and who was responsible for hiring of the men, graduated from the Royal Military College in 1920, in civil and military engineering, and from McGill in 1923 in civil engineering. He followed that up by a short apprenticeship with the Westinghouse Electric. He was construction engineer for the Fraser-Brace Construction company for one and a half years. He was with the Canadian International Paper company for two and a half years. He was with the International Power and Paper company at Newfoundland, in design and construction, for one and a half years. He was with the New Brunswick International Paper company, in construction and operation, for about ten years. He joined the Royal Canadian Engineers in 1940.

Then, my hon. friend knows something else about Captain Ahern and it is this: Captain Ahern told him at that time, when he was accused that the Liberals were being given preference on the job,—he told him at that time that he had never given a Liberal vote in his riding, as far as that goes, and that his father had run at an election as a Conservative candidate. That is the man who was charged with favouring the Liberals.

Now let us turn to Allan. Allan was employed at Fredericton as civilian foreman on the work, and paid at hourly rates, like other workmen. He was first employed in July as a carpenter, at the internment camp at Little River, and the way he got the work was to apply for it in the ordinary way at Captain Ahern's office. He was not previously known to Captain Ahern. He presented no credentials of any kind, except to tell of his experience, which was generally that he had been employed as a carpenter foreman and a painter foreman; was an independent builder and had a workshop of his own in his home where he accepted contracts for various types of benchwork. He stated that he was an ex-service man and a member of the Fredericton branch of the

legion. He was taken on as a carpenter on the Little River job; was promoted to sub-foreman in a very short time, then to carpenter foreman and finally to foreman of works. That promotion was made, Captain Ahern tells me, solely on proven ability. He was sent by Captain Ahern a little later to Fredericton as foreman of works when the training camp was started, and proved a first class foreman. He is enlisting in the home war establishment of the Canadian engineers; his medical category bars him from overseas service. Captain Ahern tells me that all men were taken on personally by him, and that he so told my hon. friend.

Mr. HANSON (York-Sunbury): Captain Ahern?

Mr. RALSTON: Yes.

Mr. HANSON (York-Sunbury): I deny that absolutely. I know that Hayward Allan hired the men himself. I will put my word against Captain Ahern's right there. Ahern was only there one day a week. He had a lot of other camps that he was supervising.

Mr. RALSTON: I am telling my hon. friend what Captain Ahern instructs me, and what he instructed my hon. friend. And Captain Ahern told my hon. friend something else. He challenged my hon. friend to name one man whom he had hired or fired, promoted or demoted, because of political, racial or religious proclivities of any kind. My hon. friend did not name a man. The hon. gentleman puts Hayward Allan's name on the record here as being a man who uses his position for the purpose of forwarding his political affiliations. I say to my hon. friend that this is not fair.

Mr. HANSON (York-Sunbury): I would not bother answering that.

Mr. RALSTON: Well, I do not think there is much answer.

Mr. HANSON (York-Sunbury): I know what the local situation is down there better than Captain Ahern does.

Mr. RALSTON: If only my hon. friend would get that "local situation" out of his mind. I have had a lot of things from my hon. friend about the local situation, and I think I have unearthed more mares' nests coming from my hon. friend than from any other member of the House of Commons. If my hon. friend wants me to deal with them, I will do so, but in all fairness I suggest to him that he has said he wants to lay friendly hands on this government and help us out. I say that is not the way to lay friendly hands on any government, to spread that sort of thing when he knows better. Because of a little situation down there which does not quite suit him he thinks he can come up here and from his place on the floor of this house, and as leader of the opposition, lend his weight to a suggestion of that kind against a man who has served as faithfully as this man Allan has served. I never saw this man; I do not know anything about him. And I want to say one thing more to my hon. friend. If he does not believe what Captain Ahern says about Hayward Allan, let him ask his colleague the hon. member for Royal. He knows Allan; he is around that camp all the time and he has seen Hayward Allan in action. Ask him whether he thinks Hayward Allan is a square shooter, whether he thinks he is an excellent foreman, whether he thinks he is an experienced man, whether he thinks he is a disinterested public servant.

Mr. HANSON (York-Sunbury): I never said he does not do good work. I said he happened to be the Liberal zone captain, and I still believe that is why he was appointed.

Mr. RALSTON: Oh, no; that is not what my hon. friend said at all. The hon. gentleman is very deft at this sort of thing, but here is what he said:

> The Liberal zone captain in the city of Fredericton was put in charge of the construction, and he had the hiring of these men. Hon. members can imagine what happened.

That is the insinuation that was levelled against Allan's name. I say to my hon. friend that it is unworthy of him to do that sort of thing. That does not get us very far with the discussion of this war appropriation measure, but that is the gravamen of a good deal of what my hon. friend said at almost six o'clock on Friday afternoon, when it could not be answered, and when the Minister of Munitions and Supply was away.

Then, having dealt with that—

Mr. HANSON (York-Sunbury): For an hour.

Mr. RALSTON: My hon. friend took an hour; and I think this is worth an hour if the hon. gentleman will at last realize something else; that while this may be fair game in peace time, it is not fair game in war time. If my hon. friend has any case as to which he has made any real inquiry, in which he thinks there is some evidence that an employee of the Department of National Defence has exercised or discriminated against anybody in the Dominion of Canada because of his political affiliations, he knows that he has only to bring the matter to me. Already he has brought several such matters to my attention, and I think I have satisfied him in that respect.

Mr. HANSON (York-Sunbury): I thought they were mares' nests.

Mr. RALSTON: My hon. friend has brought these matters to my notice, and they have turned out to be mares' nests; I have shown him there was nothing in them. But down in New Brunswick men's nerves are getting frazzled because of my hon. friend constantly bringing up these matters.

My hon. friend thinks they are not mares' nests, so I will take just one case, no more. The hon. gentleman sent me a wire with regard to a man down in New Brunswick named King, who had been appointed timber buyer. This was the wire:

> I protest with all my might against appointment Thomas H. King of Moncton as timber buyer defence projects in eastern Canada. This man's wholly-owned company recently went through bankruptcy, paid dividend less than three per cent. His appointment this responsible post affront to New Brunswick lumber producers who suffered and protest to me appointment must be political. In any event should be recalled immediately.

Mr. HANSON (York-Sunbury): Hear, hear.

Mr. RALSTON: Well, I wired my hon. friend and said:

> Have referred your telegram re Thomas H. King to Mr. MacMillan, timber controller, by whom this appointment made. He will be able advise regarding your suggestion that appointment political. Neither I nor anyone this department knew anything about this appointment.

Mr. MacMillan sent me a copy of the wire which he sent to my hon. friend, the leader of the opposition, in this connection. This was the wire:

> Your telegram received. I assure you King's appointment in no way political. I have no knowledge his politics. He has been asked contribute his services for short period assist in purchasing and expediting shipment of specific items of lumber for immediate use various government construction programme. I take responsibility for his purchases.

That telegram is signed by H. R. MacMillan. That is the sort of thing my hon. friend is bringing up all the time.

Mr. HANSON (York-Sunbury): Would the minister allow me a word?

Mr. RALSTON: Certainly.

Mr. HANSON (York-Sunbury): Mr. MacMillan got rid of him just as quickly as he could; he told me so.

Mr. RALSTON: Was it political?

Mr. HANSON (York-Sunbury): I would not say it was political. It was represented to me by those who had suffered from this man that it was political.

Mr. RALSTON: Well, in all kindness I suggest to my hon. friend that he should not be so gullible when people represent things to him.

Now I should like to say a word to the hon. member for Vancouver South with regard to recruits under the National Resources Mobilization Act. I believe what the hon. gentleman had in mind was the place of recruits under that measure in the scheme of our army problem, where they fit in. First, it seems hardly necessary to repeat what has been said so many times, that the training under the National Resources Mobilization Act is for the purpose of possible needs in regard to home defence. The act itself expressly provides that the service for which men may be called out under the act is service in Canada or the territorial waters thereof.

Now may I recall the situation last summer, which has been referred to by my hon. friend the leader of the opposition, who spoke about hurry, haste and things of that kind. The unexpected had happened. The break-through had occurred; and the capitulation of Holland, Belgium and France followed the extension of German operations in Norway. No one knew what might happen. Every effort was bent to take all the measures possible to provide for the most serious contingencies. The possibilities were visualized in that fighting speech by Mr. Churchill early in June. Let me remind the house of the words with which that speech was concluded:

> And even if, which I do not for a moment believe, this island or a large part of it were subjugated and starving, then our empire beyond the seas, armed and guarded by the British fleet, will carry on its struggle until in God's good time the new world with all its power and might sets forth to the liberation and rescue of the old.

All that seems to have been forgotten by my hon. friend the leader of the opposition (Mr. Hanson). He implies in some way that speed and rapid action could have been avoided. I say that speed was essential. It was considered essential by everybody. The cry was "Get on with it—cut the red tape—never mind the cost." We got on with it, and the story of those hectic, hard-riding days from June to November is one which is, I think, a credit to the officers and men who put forward herculean efforts to get the job done.

In Canada we authorized the recruiting, up to full strength, of the non-permanent active militia, now known as the reserve army, which to-day is over 100,000 strong, apart from those who were trained and posted from the military training centres.

Mr. GREEN: Has the minister the figures of those who have been posted to the reserve units—

Mr. RALSTON: About 75,000.

Mr. GREEN: —and have not since joined the defence forces?

Mr. RALSTON: I will not look up the file now, but 175,000 odd, I think, is the total strength of the reserve army.

Mr. HANSON (York-Sunbury): That is including the 75,000?

Mr. RALSTON: Yes. To be exact, I think it is 177,000. There were 102,000 in the reserve army and around 75,000 posted from the militia training centres.

The time for the dispatch of the second Canadian division was advanced, and the announcement was made that a Canadian corps would be formed overseas. Authority was given for raising the third and fourth Canadian divisions and some additional battalions as well, and for the mobilization of thousands more of ancillary troops of the active army. Another squadron of the Royal Canadian Air Force was authorized for dispatch overseas, and authorization was given for the dispatch of Canadian troops to Newfoundland, Iceland and the Caribbean. Emergency steps were taken to increase the output of pilots and airmen both within and outside the air training plan, and hon. members will remember the pressure that was brought to bear to see if that plan could not be advanced. The veterans home guard was authorized. Every department of our war programme was speeded up, modified and supplemented in the most effective way possible having regard to the interests of Britain and our allies and the part that Canada must play. We announced many other measures which we thought were necessary in view of the menace which had so suddenly arisen. No criticism of these steps was raised, nor could it have been fairly raised by anyone at that time. The action taken was in keeping with that instituted by Mr. Churchill's government which in May created the forces that are known as the local defence forces and proceeded to the registration of almost 1,000,000 more young men preparatory to calling them up for service. The pressure was to do more, not less; and to provide for these contingencies the National Resources Mobilization Act was passed.

Then came the question of how best we could give our citizens some training having regard to the facilities and equipment available. The whole matter was fully discussed and considered by the staff and by the government. There were two essentials; the preparation of accommodation and the training of instructional staffs, and that required weeks and possibly months to accomplish. The length of the training period had to be arranged so that equipment could be provided, and at the same time it was felt to be highly desirable in the early days to inculcate into the minds of young Canadians their responsibility as citizens. The thirty-day period was adopted as meeting these conditions. There was no thought or suggestion—hon. members will not find it in any statement in *Hansard* or in any public statement by any member of this government—that thirty days' training would fit a man to take his place as a trained soldier in a fighting unit. Therefore, to take time to argue that a period of thirty days is not enough for that purpose is to set up a straw man to knock him down. There was no mystery and no politics about the thirty-day decision. The decision was made realistically, based on the situation as it existed, and based on the possibilities as they could be judged regarding the course of the war and Canada's means of waging it.

The staffs were carefully selected. These staffs were put through an intensive course of training for the responsibility which they were required to assume. Instruction and the preparation of thirty-nine centres across Canada were commenced, and by October 20 these centres were ready to take classes. Three thirty-day training periods have been held, with the result that more than 75,000 young men in Canada have had the benefit of what is probably the most effective and efficient course of basic training that has ever been furnished to men in this country in thirty days' time. They have learned something of the fundamentals of soldiering, the use of the basic arms, and they have had the benefit of the physical training and the discipline that go with army life. The training they have already had forms a most useful foundation for their complete preparation for service in the defence of Canada should they be called on.

More than that, I believe that the training and the experience they have had will be found an incentive to many of them to volunteer for active service should the call come.

Mr. HANSON (York-Sunbury): How many have volunteered so far?

Mr. RALSTON: Including the army, the navy and the air force, about 25 per cent in all, according to the figures given me, have expressed a willingness to volunteer should the necessity arise. So far, because of the comparatively few casualties, the requirements

for reinforcements have been fortunately small. Since we mobilized the third and fourth divisions there has not been any urgent or widespread call for enlistments for active service. Recruits needed for reinforcements have been furnished without difficulty simply by the allotment of quotas to the different districts. But if and when active recruiting may have to commence, I sincerely believe that a considerable proportion of these men who have had the thirty days' or four months' training—

Mr. MacNICOL: They have not had the four months' training yet.

Mr. RALSTON: —who have had the benefit of the thirty days' training or will have had the benefit of the four months' training may desire to continue their service in an active capacity. What I think the committee do not quite realize, Mr. Chairman, is that the establishment of these training centres has provided this country with an asset which would have had to be provided in any event so that we would be ready to train the maximum reinforcements that might be required for the formations now authorized. Or, to put it the other way, if we did not have the military training centres to-day, we would have had to set about building them for the training of reinforcements against the time when the maximum number might be needed.

As I stated in the house last November, there were two points about the thirty-day training plan which made modification desirable, if that could be done. One was the shortness of the period. I stress again that this was realized from the start, and the thirty-day period was adopted because of the equipment situation and because of the desirability of having as large a number as possible in these early classes. The other point was the disturbing effect which the calling-up of these men had on industry; for 30,000 a month for ten months would have meant that 300,000 would have had to make arrangements to leave their civilian occupations for one month in the year. On this latter point I have repeatedly stated that the army has recognized the necessity for the maximum possible production in this country. But with the improvement in production and supply, the equipment situation is no longer a vital factor in preventing the adoption of a longer period.

In order to make allowance for industry, we wanted to consider whether it would be necessary to adopt a system of reserve occupations such as they have in England, or whether some other plan could be evolved which would cause a minimum of dislocation, without the complicated system of reserve occupations and the enormous amount of machinery necessary to administer it. We studied the situation overseas. We found, on examining the system of reserved occupations there, that it would be highly desirable, if it could be done and still supply our needs, to work out some plan which would avoid our having to set up machinery and prescribe arbitrarily classifications and subclassifications to be excepted. On our return the present plan was worked out. It provides for four months' training—two months' basic training and two months' advanced training. This means that future additions to the reserve will be completely trained in all weapons with which, as individuals, they may be called upon to fight. It avoids the system of reserved occupations by the simple expedient of confining the calls to a very much limited group unless circumstances change materially or the numbers in this group should prove unexpectedly small. It also embodies this desirable feature, that young men at the time of their coming of age are reminded to recognize and prepare themselves for their responsibilities for the defence of Canada.

The question is asked: How does this fit in with our general army programme? What we are doing is to combine certain training facilities and establishments for training in the active army with facilities and establishments we shall be using for the training of those called up under the National Resources Mobilization Act and to help to create a trained reserve for the defence of Canada.

By and large, the military training centres which have been used for training the three classes already held under the National Resources Mobilization Act will be used for the basic training of both the active and the National Resources Mobilization Act personnel.

Mr. HANSON (York-Sunbury): Would the minister be good enough to repeat that.

Mr. RALSTON: The training centres heretofore used for the active army personnel will be used as advanced training centres for both.

Mr. HANSON (York-Sunbury): Will the minister enlarge on that? I am not sure that I caught the underlying principle.

Mr. RALSTON: There were thirty-nine reserve training centres for Canada. These training centres have been used so far for personnel under the National Resources Mobilization Act, and there are also a large number of training centres in Canada which have been used for the training of those who volunteer for overseas service and at the

present time are training for reinforcements. What this plan envisages is giving basic training to both those enlisting for active service and those called up for reserve under the National Resources Mobilization Act, generally speaking, in former militia training centres, and then sending all to advanced training centres, which will be composed of those camps where previously only the active service force were trained.

After allowance is made for other courses, there is accommodation for about 40,000 men in all for the four months' course. When the plan is fully going, there will be 40,000 men continuously in the school at any one time, and 10,000 going in at one end and coming out at the other each month.

Mr. GREEN: Does that mean 5,000 trainees and 5,000 of the active service force?

Mr. RALSTON: The figure is variable, but, speaking generally, that is correct. At the time the announcement was made, we estimated an entry of about 10,000 a month to the training centres. About 4,000 of these, we thought, would be reenforcements for the active service force, and the rest, 6,000, would be called for training under the National Resources Mobilization Act. These figures have changed, and it would appear as if, at the present time, the numbers will be in the proportion of about half active service force and half those called up under the National Resources Mobilization Act—that is, about 5,000 of each category each month, making the training establishments full at the end of four months and thereafter. It may be that the numbers required for the active service units will increase, or the reverse, in which case the numbers called under the National Resources Mobilization Act will be adjusted proportionately.

Someone may ask, will that give enough for home defence? I can answer quite frankly. As a result of reconstruction of the previous militia, now reserve army formations and units, and the number which have since been commissioned and enlisted in that force, either through volunteering or the absorption of those who have undergone compulsory training, the potential strength of the reserve army now stands at about 175,000 men. All these men have completed thirty days' training; many have years of service in the previous militia to their credit.

Mr. GREEN: Does that figure of 175,000 not include whatever number of trainees have enlisted in the fighting forces? Many thousands of trainees have enlisted in the fighting forces, either the army or the navy or the air force.

[Mr. Ralston.]

Mr. RALSTON: I have been trying to keep away from my desk; I did not want to divert to get the figures. However, I will get them.

Mr. GREEN: Does the figure of 175,000 not include all trainees, whether they have since enlisted in the fighting forces or not?

Mr. RALSTON: I have given the exact figures. The number in reserve units, not in the active service force, but those in reserve, as of March 7, 1941—those who were in the militia and not those who came under the National Resources Mobilization Act—was 102,019.

Mr. GREEN: Would that not include also any of the trainees who have actually enlisted in their reserve units?

Mr. RALSTON: Let me finish with the figures. That is the number who were volunteers, who joined the militia. Supernumerary to these, posted to these units, were a total of 76,128 of those who had come in under the National Resources Mobilization Act. That does not include any of those men who had enlisted, included in the other column, which is for the active service forces.

Mr. GREEN: Can the minister tell us how many men have taken training in the training camps? I understood him to say the number was 75,000.

Mr. RALSTON: I said 75,000, speaking roughly. I can give the exact number.

Mr. GREEN: But some of them have since gone into the fighting forces.

Mr. RALSTON: I did not know the hon. member was interested in that. I will get the exact number who have gone through training camps.

Mr. GREEN: We should know that.

Mr. RALSTON: I shall be glad to give it.

Mr. GREEN: And how many have gone into the fighting forces.

Mr. ROSS (St. Paul's): Are these 76,000 men trainees?

Mr. RALSTON: Yes.

Mr. ROSS (St. Paul's): What obligation have they when they are posted to the militia?

Mr. RALSTON: The same obligation as any other member of the militia service, and the obligation under the National Resources Mobilization Act to be called up at any time. It is expressly provided in the regulations.

Mr. GREEN: They are simply posted to these reserve units?

Mr. RALSTON: I wish to deal with that. If it is not being carried out as I would like. I want to see about it. My hon. friend has raised a point that is worth examining.

Mr. DOUGLAS (Weyburn): Will they be required to take annual training?

Mr. RALSTON: It depends on accommodation and equipment. We have 175,000 men to train in Canada, apart from over 100,000 of the active service force. It is a matter, not of requiring them to take training but of providing the equipment and facilities to give it.

Mr. ROSS (Souris): With reference to the 102,019, the figure mentioned by the minister, can he say what percentage of these men are in a category which would permit of their transfer to the active service?

Mr. RALSTON: I should think they would be classified. I shall be glad to find out. I will not make a note of it because it will be in *Hansard*.

Mr. ROSS (St. Paul's): With reference to the 76,000 trainees posted to the militia, have they joined the militia? Do they have to turn out and drill?

Mr. RALSTON: They have done thirty days' training. There is a provision in the regulations with regard to training at the armouries at headquarters. They were given the same privilege as other reserve personnel of attending training and being paid therefor if they wanted to attend headquarters, notwithstanding that they had done thirty days.

Mr. ROSS (St. Paul's): Their obligation ceases after training, apart from being liable to be called up for service? That is the only obligation they have after they are posted?

Mr. RALSTON: With all due respect to the militia, they will have had as much training as a militia man in that year.

Mr. HANSON (York-Sunbury): In any one year.

Mr. DOUGLAS (Weyburn): The militia units will require to take two nights' training a week?

Mr. RALSTON: They are paid if they attend. It is an inducement to them.

Mr. STIRLING: The minister does not wish to convey the idea that 76,000 men are now carrying on training?

Mr. RALSTON: No—does the hon. member mean at headquarters?

Mr. STIRLING: Anywhere?

Mr. RALSTON: That is the only other place. They did thirty days' intensive training, and the only other place in which they would train would be the armouries at headquarters with the rest of the unit.

Mr. STIRLING: They are now carried on reserve strength. If they are with the active service unit they are carrying on training; those in the reserve units are not, except in a certain number of cases?

Mr. RALSTON: That is correct.

Mr. GREEN: Is it not quite clear that these 75,000 or 76,000 are simply names on a wall in different reserve units, and take no part in training, but have gone back to civilian life?

Mr. RALSTON: Certainly they have gone back to civilian life and the members of the reserve unit are also back in civilian life.

Mr. GREEN: But they are training two or three nights a week.

Mr. RALSTON: These men have taken their training, which is equivalent to the training which the reserve units take at the armouries.

Mr. DOUGLAS (Weyburn): But the reserve units take thirty days in addition.

Mr. RALSTON: If the impression is left on anyone's mind that these men who trained for thirty days in the last three months are not as well trained as members of the reserve units training in the armouries, or those at camp, that impression is erroneous, and I think it would be admitted by anyone who had visited the camps, examined the syllabus and knew of the training carried on there.

Mr. STIRLING: The minister has no hold over these 76,000 who are not carrying on their training now in the reserve units?

Mr. RALSTON: The same hold as over any other member of the militia.

Mr. DOUGLAS (Weyburn): They are not attested. Is there any attestation?

Mr. RALSTON: No; there is enrolment. An enrolment form is signed.

Mr. STIRLING: May I carry that further?

Mr. RALSTON: I should be glad if the hon. member would. I want to understand it.

Mr. STIRLING: I had in mind men in southern British Columbia who passed through thirty days' training and whose names are attached to the reserve units in that neighbourhood. They are not easily getatable.

The distance is considerable, and I know of many men who would be only too glad to have an opportunity of reaching the armouries and carrying on. I know of men who for a short time after the training period were able, by getting a lift, or by some other means, to carry on, and they would write to me on occasion and ask this question: If there is no transportation, how are we expected to carry on training? It seems to me there must be a considerable proportion of the 76,000 who are in that difficult position. They cannot reach the place of training to carry on.

Mr. RALSTON: Perhaps it does not meet the situation for me to say that they are in exactly the same position as any other resident of the town who would like to join the militia voluntarily but is unable to do so because he is too far away from headquarters of the militia unit. Has the hon. member in mind forming some sort of special unit for these men? I am looking for constructive suggestions, and my hon. friend wants to be constructive.

Mr. STIRLING: I cannot say that I have found any suggestion which I can make with regard to keeping tab on these men and providing a possibility for their carrying on, but it seems to me a most desirable thing that somehow they should be able to carry on training.

Mr. HANSON (York-Sunbury): Is it not simply a physical impossibility because of location and the expense involved?

Mr. RALSTON: Notwithstanding what some of my friends on both sides of the house have represented, we feel that we have about all the reserve units we can usefully employ.

Mr. HANSON (York-Sunbury): With the accommodation.

Mr. RALSTON: Yes; and, I really think, in view of our needs.

Mr. HANSON (York-Sunbury): With the equipment available.

Mr. RALSTON: And the needs too.

Mr. GREEN: Why would it not be possible to have these men who come back to the city actually tied in with their reserve unit and train with it? It may be that men who had thirty days' training have had more training than men in the reserve army, but surely that is not a handicap. It would help other men in the reserve unit and then you would have all the reserve army together. As it is now, you send back trainees and they are simply names on a wall as far as the reserve army unit is concerned. If they had to be called out in a hurry and then fitted into a battalion or any military organization, it would take a long time to fit them in. The whole thing, it seems to me, is not being handled as efficiently as it might be. Why are they not put right into a reserve unit? They are all posted now to infantry units. Why should not some be posted to artillery units or the engineers or the army service corps? Why not allow them to carry on with other members of the reserve army?

Mr. RALSTON: My hon. friend is assuming something I do not admit. They are permitted to carry on with these other units. He says that they are names on a piece of paper. They are members of a reserve unit, and these were the instructions given. I think I am correct when I say that we expressly provided that these men, if attending training classes, were allowed pay similarly to other reserve personnel for the time they trained. It may be that there is not sufficient encouragement, but certainly the instructions were that they were to be treated exactly as members of that particular unit. My hon. friend cites a case the opposite of that mentioned by the hon. member for Yale (Mr. Stirling). He suggests an instance where the men who are trained are close to a reserve unit and, if possible, that case ought to be met. He is absolutely right in assuming that these men will provide some strength for the reserve unit. They have had intensive training, more intensive than the reserve unit can give. As a humble officer of a militia unit for a time, I remember how sketchy any training was that I was able to give the poor devils under me. But these men know something about training; they have had it intensively. The same applies where they are needed in connection with defence if there is a call. These men, particularly those trained for four months, would be a tremendous help, and an additional strength to a unit which might be called out for the defence of Canada. I shall certainly look into the question to see if a better tie-in can be made.

Mr. GREEN: Is there any reason why, when they come back, it cannot be made a part of the regulations that they shall join up and take part in the training of, say the Seaforth Highlanders in Vancouver or any other unit to which they are nominally posted? This would make for esprit de corps and pride in their regiment. As it is now they come home after the thirty days and because of the way the government has handled the matter they say, "I have done my job, all that is required of me, I don't have to be bothered

going to the militia to train two nights a week; I know more than they do." That is due to the way the government has handled it. Talk about offering them pay for two nights a week!—they can do other things with their time. These men are not told that their services are needed in the reserve unit; they think they have done their bit, and that is because of the way the government has handled the matter.

If that is to be continued with the men training for four months, then it is all the more serious. All these men should be tied in—

Mr. RALSTON: My hon. friend has said three times, "due to the way the government has handled the matter." I have not heard yet what his criticism is. I have said that they are tied in with the unit that we have provided for pay for training similarly to the other reserve personnel, and that the instructions are that they are to be treated the same as members of the unit. I am ready to be convicted if I have done something wrong or neglected to do something I should have done; the government the hon. member refers to, is your humble servant in connection with this matter, and I should be glad to know wherein we have handled the matter badly and how we can improve it.

Mr. GREEN: Perhaps it is my fault, but I do not know how to make it any plainer. A man in the riding I represent goes away for training and is posted to the Seaforth Highlanders, one of the finest regiments in Canada.

Mr. RALSTON: I was in the same brigade with them, and I agree with the hon. member.

Mr. GREEN: That regiment has a reserve unit. When these young men come back they do not feel under any obligation to go to the Seaforth Highlanders reserve battalion and join up there; they feel they have done their bit. As a matter of fact, until about a month ago I understand those men could not be attested in the reserve battalion; the orders were such that they could not be signed up as proper members of that reserve unit even if the battalion was under strength.

Mr. RALSTON: May I interrupt there? My hon. friend knows that up until a short time ago nobody could be attested in the reserve units. Recruiting stopped on August 15 and there was no recruiting for the reserve units. My hon. friend knows further that units have now been authorized to fill up to full strength, and as they supply reinforcements or as their ranks are reduced in any way, they have been authorized to recruit. These men can enlist for that purpose the same as anyone else. But I am still waiting for my hon. friend to tell me what I can do to better the situation. Does he think we should make an order requiring these men to go to drill at headquarters after they have done their training?

Mr. GREEN: Certainly. Why spend all this money giving these men all this training and then simply send them back to civilian life so that they are gone unless Canada is attacked? Why not have the regulations such that they go into a reserve unit?

Mr. CASSELMAN (Grenville-Dundas): They are not attested in a reserve unit?

Mr. RALSTON: You do not have to attest them; they are on the roll.

Mr. CASSELMAN (Grenville-Dundas): Is not the difference that they fall into two classes? Prior to the reserve army being what it is now, to belong to the non-permanent active militia unit a man was attested, and when he received notice that drill was on a certain night he had to be there or he was subject to a fine. We have added to that now between 72,000 and 80,000 men who are not in that position but are in the position that they have done their training and are told that as a result of the regulations of the department they are now part of the reserve. The only way their services can be utilized is to use the pressure which you can use under the National Resources Mobilization Act and call them out for service in camp.

Mr. RALSTON: Right, or by reason of their being posted to the unit.

Mr. BENCE: In connection with this matter of enlisting for reserve units now, are the men who enlist required to undertake to go on active service?

Mr. RALSTON: There is no regulation requiring it.

Mr. BENCE: They are in some districts, are they not?

Mr. RALSTON: Not that I know of. There are no instructions to that effect. The instructions are that as far as possible officers will endeavour to see that men are of a medical category which would make them acceptable.

Mr. BENCE: I do not mean that.

Mr. RALSTON: There are no instructions other than that.

Mr. BENCE: I had in mind seeing in the press in my own city a statement that no recruits would be taken for the 2nd battalion unless they undertook to go on active service.

Mr. RALSTON: That is the 2nd battalion that is responsible for that. It is not under instructions.

Mr. HANSON (York-Sunbury): Have they authority to do that? It does not seem to be the law.

Mr. RALSTON: I suppose the commanding officer might say, "I will not take anyone who will not agree to go overseas."

Mr. HANSON (York-Sunbury): A little pressure. With respect to the thirty-day training, is not this the position in a nutshell, that they are part of the non-permanent army *de jure,* but *de facto* they are not? If they are not joined up the instruction will in time be lost to the country. That is the principle I was arguing for. Will they not go back? I am told they will. The minister knows more about it than I do, but there seems to be a gap with respect to these trainees and their usefulness to the country after a large sum has been spent on their training. That is what I was trying to argue on Friday, only for the extension to overseas service. If the situation gets bad enough I think that ought to be done. The question of policy will have to be worked out in the course of time, subject to the trend of events. At the moment it is not necessary, but we ought to take a long view, and I suggest that one of the first questions the minister should consider is: how can these young men be made more effective for (a) non-active service and (b) active service, so that the country will not lose the benefit of the expenditure incurred for their instruction and training. This is offered in good faith, I suggest that the government give attention to the whole position in that regard.

Mr. RALSTON: I know the suggestion is offered in good faith. I have told the committee what has been done in that respect. I certainly shall give the suggestions of the leader of the opposition and the hon. member for Vancouver South and other hon. members regarding a closer tie-up between these men who have been trained and the reserve units the very best study I can. The first thing to do, however, is to get this plan started; hon. members perhaps do not realize the administrative and instructional difficulties there are in setting up these schools and installing new instructors.

Mr. MAYBANK: I should like to make a statement and ask a question so that I may get the facts definitely. As I understand it, it is now proposed that when men leave training they shall be attached actively to these various units, such as the Seaforth Highlanders?

Mr. RALSTON: The word is "posted".

Mr. MAYBANK: They are attached already in the sense that when they leave the training camp they are part of the reserve army. Let us take, say, the Seaforth Highlanders. There are openings for a relatively small number of men, say 50 or 60. You have leaving camp a much larger number, say 1,000. If you are going to say to these 1,000 men, not merely "You are attached to the reserve army", but "You are attached to the Seaforth Highlanders", then you have the Seaforth Highlanders badly swollen, and you will have difficulty in getting 1,000 of them into a place where fifty ought to be. It seems to me that is so.

Then, if you do not put the whole 1,000 of them actually into the reserve army, you are up against the proposition of deciding which fifty out of the 1,000 you will choose. This is a point to which I believe those who are advocating placing these persons in the reserve must address themselves, and unless they can offer something constructive in that respect, then nothing constructive has been offered at all. I may be wrong in that, but from the picture I have drawn from what has been said this afternoon, as well as what people have said to me from time to time, that is the problem as I see it.

You cannot put a whole 1,000 men into a particular regiment, and therefore you are up against the problem as to which ones you shall choose to take the regular training.

Mr. REID: It could be done by selectors.

Mr. MAYBANK: If that is what is being proposed, namely, something in the nature of selective draft for continued home service, all right; let us know about it. But it has not been worked out so far.

Mr. GREEN: In reply to the hon. member for Winnipeg South Centre, I would point out that there have been only 25,000 in each thirty-day period in the whole of Canada; and, as I understand it, all of these men have been posted to infantry units. There are other units—artillery, engineers, medical corps, and so on; and I say that they should be posted to and train with some particular unit—not necessarily an infantry unit, but some reserve unit. If necessary, a third battalion could be made of the infantry regiments.

Mr. MAYBANK: Are they under strength?

Mr. GREEN: The point is that those men should be posted and actively training with some militia unit. Under the new plan we are going to have only 5,000 a month for the whole of Canada. There can be no question that there is plenty of room to absorb that number across Canada. I do not see how there can be any excuse now for simply turning back those 5,000 into civil life, and not putting them into a reserve unit.

Mr. STIRLING: And letting them make the choice of unit.

Mr. DOUGLAS (Weyburn): Before the minister continues, I believe it is felt in many circles that a great deal of money is being spent on the training of these men, and that unless that training is followed up, the value of it will be almost nil. I believe we are talking at cross purposes when we say that these men are attached.

An hon. MEMBER: Posted.

Mr. DOUGLAS (Weyburn): They are not posted; they are attached.

Mr. RALSTON: "Posted" is the word.

Mr. DOUGLAS (Weyburn): Let me place before the committee a specific instance: The unit in which I am interested is a unit which is well over strength. There are something over 1,400 men in that reserve unit. There are attached or posted to it over 1,500 of these men who have taken thirty days' training. What does it mean? It simply means that some files are carried into the adjutant's office, and that they are put into a corner.

Mr. RALSTON: I would assume that the 1,500 men live nowhere near the unit.

Mr. DOUGLAS (Weyburn): They live in the area from which the unit is recruited.

Mr. RALSTON: I believe that is taken care of, from the point of view of administration, and from the point of view from which hon. members have approached it, by the fact that they are posted (*a*) to the reserve unit in the locality, or (*b*) to corps reserve.

Mr. DOUGLAS (Weyburn): As the minister states, this unit covers a considerable area. There are four rifle companies, and a headquarters company. In each of the larger towns in that area there is a company commander, and sometimes a company sergeant-major, who are responsible in the particular area from which the company is recruited for part-time training. Then they are brought together to battalion headquarters, annually, for annual training.

These men—and possibly I should use the term "trainees"—have no feeling of unity with the company or area in which they live. They are not called in for training, because the company is already over-strength. They are not called for training in the battalion. There is a cleavage there, and considerable feeling has arisen in that connection. These men do not belong to any company; they are not attached to any particular company, and are not in any platoon. They do not go to training with that unit. As a matter of fact, they are not part of the unit at all, except that their names are in the same files in the adjutant's office.

The minister has asked for some suggestion. I do not think they can be merged into a unit which is already over-strength. I do not see why another battalion could not be formed, and these men become a reserve battalion. Where one company is now training, two companies could be trained. These men who have taken thirty days' training would have a company or a platoon to which they could go, and with which they would train, having exactly the same routine they would go through if they were members of the reserve army. Otherwise they do not feel any attachment to the unit with which they are posted. Unless something of the sort is done within the year, I believe the money the Canadian people have spent on this project will have pretty well filtered away. That will happen, unless there is some way of keeping these men attached to some unit, with contacts through non-commissioned officers, officers and in this way develop an esprit de corps.

Mr. RALSTON: I do not believe I need take further time in committee by adding to what I have already said. I shall certainly take note of the observations of hon. members, and I want them to take note of what has already been done. I believe the hon. member who spoke last had the gist of the matter when he said that this was not an immediate thing. But I can see the point they are making, and therefore I will give it the best study I can.

Mr. SENN: What will be done in the event of a trainee changing his place of residence? Is there any provision whereby he would be followed up? Is there a provision that he shall notify the authorities in the event of a change of residence, or may he easily be lost?

Mr. RALSTON: I do not think there is any provision, but he is in the unit to which he has been attached.

Mr. GREEN: What provision is made for enlisting these trainees in the various fighting forces? What encouragement is given to them to enlist? I have been told that while the navy and the air force are fairly active in the camps, trying to have these young men enlist in their respective forces, the army is not doing so. I understand the army makes little or no attempt to persuade the young men to enlist in the active service force. Is that so? What provisions have been made whereby it is made easy for one of these young men to enlist in the active army?

Mr. RALSTON: I cannot say that any provisions are made, or that any pressure is brought upon them to enlist. As my hon.

friend and the committee know, and as I said the other day to the hon. member for Hastings-Peterborough, so far we have had sufficient enlistments to take care of our reenforcement requirements. The trouble is—if it is a trouble—that we have in Canada a great many men who are impatient for overseas service. Casualties have not occurred. Our reenforcements are more than up to requirements, and therefore there is not the call for recruits.

I may say that the navy, the army and the air force have a committee working at the present time with a view to what may be a joint recruiting call, having regard to the needs of the three services which we visualize this summer may be required by reason of formations going overseas. But, answering my hon. friend's question, there has not been any intensive recruiting campaign. As I said to the hon. member for Hastings-Peterborough, our difficulty is that we cannot put on these evangelistic campaigns in this war, as we did in the last one, because the need is not there as yet at least. People are complaining that we are interfering with industry, with farming and with everything else; they ask what we are going to do with the men when we do enlist them. No one realizes better than I do the fact that this has a dampening effect upon recruiting. I do not say we have not ideas in the department with regard to the matter; we have, but I would welcome any suggestions which might be made by any one in this connection.

Answering my hon. friend, there is no special effort made to get these men to enlist. What was done, as my hon. friend knows and as the house has been told, was this. They were asked in the camp whether, if an opportunity to enlist should come, they would be willing to do so. The figures I received were what I gave my hon. friend the leader of the opposition this afternoon; namely, that taking the navy, the army and the air force, about twenty-five per cent expressed their willingness to enlist if required.

Mr. GREEN: Of that number how many have actually enlisted?

Mr. RALSTON: I cannot tell my hon. friend.

Mr. GREEN: Or have that twenty-five per cent been given an actual opportunity to enlist?

Mr. RALSTON: I am telling my hon. friend the opportunity is there all the time. The way enlistments are called for is this. If a call comes from overseas for reinforcements, or if the adjutant general's office feels that in some particular service there is necessity for reinforcements, a quota is immediately made up of the reinforcements required, and that quota is apportioned to the different districts all over Canada; each district is asked for so many men. My hon. friend knows this procedure, I am sure. They have their district depots where men have enlisted, from which they have gone to the training centres; and these recruits are called for from these different training centres. Then, if there is need for more men for enlistment in place of these reinforcements, the militia units in that particular area are told that so many men are required, and they are given an opportunity to have their personnel enlist for that purpose. That is the way in which recruiting is done generally, through the militia unit. There are not usually general calls. Of course there are men from time to time who come directly to the recruiting office from the street. They enlist, and they are received, of course.

Mr. HANSON (York-Sunbury): If the minister will allow me, is that quite so? In the filling up of the quotas to which he has just referred, from the military district, is there an opportunity every day for men to enlist in the active service army? I have been told, and I should like to be corrected if I am wrong—it seems that I am very wrong most of the time, according to the minister this afternoon—

Mr. RALSTON: We are talking about something else now.

Mr. HANSON (York-Sunbury): I want to know if there is an opportunity to enlist six days in the week, whether quotas are filled up or not.

Mr. RALSTON: No, I would not say so.

Mr. HANSON (York-Sunbury): The opportunity for enlistment is very limited indeed, is it not?

Mr. RALSTON: That is correct.

Mr. HANSON (York-Sunbury): Then let us have that perfectly clear. Until there is the need of men for the active army, whether it be for service in Canada or overseas, that opportunity will continue to be very much restricted?

Mr. RALSTON: That is so.

Mr. HANSON (York-Sunbury): Well, I think that is a fair statement.

Mr. GREEN: In the case of these men who are anxious to join the army would it not be wise to let them enlist at once, even though it meant expanding the force to a

certain degree? Now that only 5,000 are being trained each month there will not be such large numbers of these men available, and surely when a man in the camp wants to enlist in the forces it should be possible for him to do so, even though it means making the forces a little larger than had been planned. It is far better for us to have too many men trained and under arms in this country, in this terrible crisis, than to have too few.

Mr. RALSTON: I can only say to my hon. friend that there I am guided by the staff. I am assured that we have ample men in Canada under this plan for any possible forseeable need for home defence. As far as the situation overseas is concerned we have ample men at the present time—I just say at the present time—for reinforcements for the troops who are overseas. The leader of the opposition has put his finger on the main point, namely, that until there are casualties or some need arises because of these formations going overseas, there is not the opportunity for any widespread enlistment. My hon. friend asks if we could not give that opportunity to a few men. What I think he has in mind is to utilize the four months' training of these men. I will give consideration to that point, as to whether possibly some special consideration could not be given in these circumstances because, as my hon. friend says, there we have trained men.

Mr. HANSON (York-Sunbury): In addition to the reason that has been given by the minister, is there not the further reason that the equipment and accommodation are not available and would require considerable extension. Is that not about right?

Mr. RALSTON: I would think so.

Mr. HANSON (York-Sunbury): I think that is a fair statement.

Mr. MARTIN: In this country there are representatives of a number of free governments, the Polish, the Norwegian, the Dutch and more recently the Belgian. They have troops in training centres in various parts of the country. What assistance, if any, is being given by the government of Canada or the Department of National Defence to these groups? What financial assistance is being given?

To give my question more force, I should like to point out to the minister that recently the Polish group appear to have had some difficulties. They have been moving from one city to another in an endeavour to find quarters for the training of their men. I think it is desirable that the minister make a statement in regard to this matter, because I know it has caused some inconvenience and, with no desire to magnify it at all, I believe there has been some friction. Are we rendering any assistance to these movements? If so, what is that assistance, and should it not go further and actually help them to get established in various communities? This difficulty now exists, and I should be very grateful if the minister would say a word about it.

Mr. RALSTON: All I can say to my hon. friend is that this is a matter for the Department of External Affairs rather than for the Department of National Defence. The assistance which is given in this connection and the arrangements which have been made have been the subject of correspondence between the Secretary of State for External Affairs and the representatives of the various governments. I am not in a position to give my hon. friend any information beyond that at the moment.

Mr. MacNICOL: When I was home last I was interviewed by a number of soldiers who had recently returned from England, for reasons into which I made no inquiry. They find it impossible to obtain positions.

Mr. RALSTON: These are discharged men?

Mr. MacNICOL: Yes; and after having been in the army for a year, more or less, they are almost unfit for employment right away. Could not the Department of National Defence connect up or work with the Department of Munitions and Supply or the Department of Labour in an endeavour to bring about the employment of these returned soldiers in some of the large factories or on some of the building programmes under the control of the department? It seems to me too bad that these men should be brought back from England and have nothing to do here. The government is financing or assisting to finance many large projects, and I do not see why the various departments could not cooperate in order to place many of these men. It is bad enough to be out of work at any time, but it is worse for a returned soldier coming home to be out of a job. Something should be done in this connection. If nothing is done it may result in the men saying things they should not say, after having been in the army and then out of it. It would relieve their anxiety if the government would see that they are placed in some of the government projects.

Mr. POWER: To answer for my colleague, the Minister of Pensions and National Health, there was put through by order in council

some time ago what is known as a rehabilitation plan which I think awards one month's pay to those who have been discharged from the army. If the man is unfit owing to his war service he obtains a pension. If he is not, the Department of Pensions and National Health is reorganizing the rehabilitation branch, and the Minister of Pensions and National Health has recently created the position of associate deputy minister to look after rehabilitation. My understanding is that the veterans assistance committees across Canada are being called in to assist in making the very placements which my hon. friend has mentioned. The veterans assistance committees in days gone by did do a valuable work. They are in touch with industry throughout the country, and they would appear to be the appropriate coordinating body as between the discharged soldier and the new industries which are being set up. I do know that the Minister of Pensions and National Health has large plans along these lines, but to what extent these plans have been completed I am not in a position to say.

Mr. MacNICOL: The minister must have read that at the recent labour conference resolutions were passed recommending that the government keep on the payroll, until they obtain employment, soldiers who have now returned. Has the minister anything to offer in that connection?

Mr. POWER: That is for the Department of National Defence, but speaking as an associate minister of the department, I certainly would not keep crocks on the payroll.

Mr. MacNICOL: Why should a returned soldier be called a crock?

Mr. POWER: If he has been discharged from the army as unfit for army service, I would not keep him on the payroll.

Mr. MacNICOL: He must have been 100 per cent fit when he joined.

Mr. POWER: If he is unfit, the question of pension arises. But to make the broad statement that a man unfit for army service should be kept in the army goes beyond anything I ever heard of. Look after him somewhere else; well and good. But I would not subscribe to the view that because a man has served in the army he should be kept perennially on the army payroll after the medical board has decided that he is not fit for active service in the army.

Mr. MARTIN: I want to come to the support of the hon. member for Davenport (Mr. MacNicol). I do not think he usually requires support, but on this occasion I think he does. The minister has not adequately covered the question put forward by the hon. member for Davenport. When a man has been taken into the army and has been discharged from further service, is the department prepared to keep him on for a certain period, until such time as he can find employment? Obviously there must be some limit to the period. I cannot fully agree with the position taken by the minister.

Mr. POWER: The rehabilitation branch is for that purpose. The suggestion, however, of the hon. member for Davenport was that the man should remain in uniform in the army, and I would say that that is not the thing to do. When the soldier is discharged as unfit he belongs to some other department. He belongs to the rehabilitation branch and should not be kept in uniform in the army. That is all I am saying. The Department of Pensions has created a rehabilitation branch. I do not know just how far the Minister of Pensions has gone with the functioning of it, but I understand that he has gone pretty far with it.

Mr. MacNICOL: A good deal of the building work now being done is under government control, and perhaps the veterans assistance committees to which the minister referred will be able to see that the discharged soldier gets some of this work.

Mr. POWER: He comes under Pensions and National Health.

Mr. MacNICOL: After the question has been thoroughly considered by the department, I think it ought to be possible, in view of the vast amount of building that is being done by the Department of Munitions and Supply, supported financially by the government, to provide for the discharged soldiers, if they are able to be reemployed, on some of these staffs.

Mr. POWER: I am under the impression that machinery does exist at the present time for taking care of these men when they are discharged. They go to the veterans assistance committees in the various cities and have their names put down for employment wherever it can be found. Whether employment has been found or whether the men are capable of doing the work required in these plants is another question.

Mr. MacNICOL: They are to receive pay for one month?

Mr. POWER: They get paid for one month.

Mr. MacNICOL: If that were extended to two or three months they might be able to find something to do.

Mr. POWER: My hon. friend will have to appeal to the generosity of the Minister of Pensions.

Mr. ROSS (Souris): The Minister of National Defence has stated that many of the trainees have volunteered to join the service. I have been concerned with the set-up of our reserve army, if something should happen overseas, which we all trust will not happen, necessitating large numbers of reinforcements. I think we should be training a reserve army immediately for reinforcements. Has the minister considered with his staff, training a reserve army composed of those within the required categories who could be transferred for training to active service? In the whole set-up of the reserve army it seems to me that we are not getting value in man-power or for the money spent should a sudden demand for reinforcements arise.

Mr. RALSTON: My hon. friend is mixing up two things. The reserve army is not for reinforcements for overseas except to the extent that the men volunteer. The staff have advised that so far as Canada's defence is concerned, our reserves are adequate. We know what our resources are overseas and what we plan for, and I have given the committee a list of the formations we are going to have. We feel satisfied that we can provide ample reinforcements for them. I do not know just what my hon. friend has in his mind when he says he is not satisfied with the set-up. We have 175,000 trainees in all in the reserve army, some with thirty days' training and some with longer periods. In addition, we have a great number of men, over 100,000, in the active service force in Canada. The defence of Canada must visualize certain scales of attack. These scales have been weighed and appraised. It is only in certain contingencies that these attacks can occur, and we all realize what will be the situation if they do occur; that is, what additional forces will be available for that purpose. In the light of all that the staff have advised me that we are making ample provision.

Just in that connection, may I be allowed to complete my statement. All these men—that is, these 175,000 men—have completed thirty days' training, and many have, to their credit, years of service in the previous militia. They represent a potential force rather than an actual one at this time because the battle of Britain is being successfully waged, and so long as that continues no heavy attack on Canada will be practical. All these are in addition to the active army formations in Canada.

I can say to the committee that, a careful appraisal having been made of the prospects and requirements in any emergency which can be reasonably foreseen, it is considered that the plan we have evolved will meet the requirements of home defence. That is not my opinion only but the opinion of the staff who have given most careful consideration to the matter, and who are responsible for advising myself and the government in that connection.

Something has been said regarding the release, to the existing reserve units, of these men who are being trained. What we plan is that where they are in localities which have reserve units, they shall be posted to those units; if they are in localities where there are no reserve units, they will be posted, after the completion of their training, to a corps reserve of the arm in which they have been trained. I have heard what hon. members have suggested in that regard and I assure them—and this is no mere formal assurance—that their suggestions will have the very best study we can give them.

If the unit is needed for home defence, they will form a useful nucleus of trained men to give added strength to that unit; and, on the other hand, as I have said regarding the men who have had thirty days' training, I believe that many of them will, by reason of their experience in army life, be ready to enlist in case a widespread call goes out for recruits for overseas service.

May I emphasize that with the large numbers of partly trained reserve personnel available the sensible course is now to see to it that so far as facilities permit, future additions to that force will be completely trained in the weapons with which, as individuals, they might later be called upon to fight.

Barring changes which no one can foresee, we envisage some 60,000 young men of the twenty-one year old class being called up for four months' compulsory training in the year.

Training this 60,000 for the reserve would allow, in our revised system of basic and advanced training centres, capacity for a further 60,000 per annum of active service personnel of other age groups. Remember that this number is the equivalent of two or two and a half divisions, and is in addition to the men we have partly trained, men of the reserve, and whatever active units there may be in Canada.

In other words, we would expect to train in an adequate and approved manner no less than 120,000 young men in Canada during the next year. Some of these, at the end of two months' basic training, on volunteering will be transferred to the Royal Canadian Navy or Royal Canadian Air Force, and the remainder to the active or reserve army as the case may be.

Let me make this clear—perhaps it needs to be emphasized a bit. The four months' training plan is not merely a National Resources Mobilization Act plan; it is not merely an active service force plan; it is a Canadian army plan. The plan will, we believe, by training men who have enlisted for overseas service, provide training for the maximum reinforcements needed for overseas. At the same time, through its training of men who are called up for training under the National Resources Mobilization Act, it will provide us with the means to assist in creating a trained reserve force which, in addition to such active units as may be allotted to that task, will suffice to meet the possible demands of home defence.

I believe that the latter part of that statement does meet what the hon. member for Souris has referred to. It is true that the reserve army is only partly trained, but it is a large army for Canadian defence. There is no doubt about that. What this plan does is to endeavour to put alongside of it—and I am as anxious as anybody to see that it not only puts alongside of but integrates with it—the men who have four months' training, in order that it may be given stiffening and made as effective as possible.

Mr. ROSS (Souris): There is not, I suppose, a standing order that these men who are in the reserve army will be in A category?

Mr. RALSTON: No.

Mr. ROSS (Souris): A great many of these men would be in a lower category and therefore would not be able to transfer.

Mr. RALSTON: I should be glad to hear from the committee—although it is a peculiar position for a minister to take—whether the categories of the reserve army should be A and B instead of including C. As the committee knows, it goes down to "C-1." That is a difference between the active and the reserve. The active does take A and B and does not take C.

Mr. GRAYDON: Has the minister any information as to how the reserve army is made up in so far as the medical categories are concerned?

Mr. RALSTON: The proportion?

Mr. GRAYDON: Yes.

Mr. RALSTON: No; I am sorry I have not. I can get it very easily.

Mr. GRAYDON: Perhaps it would be of interest to the committee.

Mr. RALSTON: It is germane to the question I have just mentioned.

[Mr. Ralston.]

Mr. FULFORD: The hon. member for Souris has just asked a question which I intended to ask. There are, however, some further questions I should like to put with regard to the present reserve army units. Will the result of the attachment of these trained men to the established unit change the present training programme in any way? Will it, for instance, change the length of time in camp? Will it change the personnel of the present units? Will the new men have to take the full training of the unit they join? As a matter of fact, I am thinking particularly of the Brockville rifles. By the time the first batch of these men are turned out, it will be just about time for the Brockville rifles to go to camp. These men, I take it, will be attached to the local regiment. They will just have finished four months in camp, and naturally will be far ahead of any training that the local unit will have, and any work they do at camp will appear very elementary to them. Will a special company be set up for them? It would seem to be a waste of effort that they should go through all the elementary training which the normal reserve unit would have to go through.

Mr. RALSTON: As I understand it, those who are in my hon. friend's vicinity who are attached to the Brockville Rifles and have finished the four months' training will not go to camp with the Brockville Rifles.

Mr. GREEN: Has the minister given any consideration to the question of the selective draft, that is, covering a wide age group and choosing by lot, rather than taking all the twenty-one year old men?

Mr. RALSTON: Yes. That is what I endeavoured to cover in the first part of the statement I made to the committee a little while ago. With a selective draft, you immediately get into difficulties with industry. We must face that fact. If we are going to have a selective draft and extend these age groups any distance, I for one believe—I do not know whether all my colleagues agree with me, but perhaps the committee may—that we must have reserved occupations for two purposes: to exempt men of the reserved occupations from being called up for training, and to refuse to accept men who volunteer; that is to say, we would say to men who want to go into the army, "No, you cannot go in because the particular occupation you are in is one so essential to industry that you can better serve your country there."

Mr. HANSON (York-Sunbury): Is that not what the principle of the selective draft implies? I may be all wrong in my understanding of what the selective principle is,

but my idea of it was that you could say, "You shall not be selected because you are more valuable to the state in some other capacity." Has that been turned down definitely?

Mr. RALSTON: We studied that in England. It involves reserved occupations, and it involves all the machinery of boards and things of that kind, and constant changes of regulations, which we think we have avoided under this system, which simply takes a very much limited age group, and cannot disturb industry seriously, but empowers the board to postpone a certain class, in order that they may have the benefit of pursuing their seasonal occupation, or matter of that kind. It avoids all complications. There was a book prepared a year and a half ago containing lists of reserved occupations; it must have extended to 150 typewritten pages.

Mr. GRAYDON: That is, in England.

Mr. RALSTON: That is what they are worrying over in England at the present time. We may have to come to it. If you take more than these twenty-one year olds you reach the stage where you disturb industry. You may have to do it, but I feel that we do not have to come to it yet, and therefore we propose this simple course of taking the twenty-one year old class, providing for postponement in cases of occupations where postponement is required, but not providing for exemptions. According to the staff, it fully supplies our needs of home defence at the present time.

Mr. HANSON (York-Sunbury): The young men are not a factor in industry.

Mr. RALSTON: Not to the same extent.

Mr. HANSON (York-Sunbury): I think we ought to welcome that statement of the minister, whether or not we agree with it.

Mr. ROWE: Some of them are a factor.

Mr. RALSTON: My hon. friend is right, some of them are. As a matter of fact, the national labour supply board were talking to me to-day with regard to a few men. I know that the mining industry say that they are training some young men; they have some twenty-one year old men in their service. Industry is cooperating in connection with this plan. We have consulted the national labour supply board; they have been in on all the conferences, and they know what is being planned.

I know of one instance in which an industry was asked, with regard to the thirty-day training, how many men would be affected who were essential to that industry. The manager sent back word, "175." The general manager did not believe that. He went down and investigated and he found that there were just three men who could not be spared. The same is true of a number of other industries. It is found that there are not many men who cannot be spared for the limited time required. There are some industries which are training young men who fall into the twenty-one year old class, and provision will have to be made in that direction.

Mr. GREEN: Is the position not the same with young men who are being trained in the technical schools under the Minister of Labour? Take young men in their teens, who are receiving training courses for industry. Shortly they will be twenty-one. Are they to go into training camps or will they remain in industry?

Mr. RALSTON: The hon. member does not want me to look a year ahead?

Mr. GREEN: That is the trouble. We are looking a couple of days ahead instead of a year.

Mr. RALSTON: That is not a fair statement. I ask my hon. friend if anyone in this war can look ahead a year and make plans further than we have made our plans. We have quite sufficient if we make the best plans we can for the formations we are providing for this year and endeavour to meet them with the man-power we have, and I do not think it is quite fair to suggest that these are two-day plans. They are no such thing. I will endeavour to give attention to what my hon. friend suggests, but it is not essential at this moment—

Mr. GREEN: Perhaps not two days, but we are not looking far enough ahead.

Mr. ROSS (Souris): Can the minister give a statement of those receiving the thirty-day training, by provinces, and then volunteering for active service?

Mr. RALSTON: Another question was asked with reference to information by provinces. I cannot give it by provinces; I can give it only by military districts.

Mr. ROSS (Souris): By military districts.

Mr. HOMUTH: Would it be possible to speed up the report on the men who go for medical examination? Industry hesitates to take the twenty-one year old class unless they have already had training. Industry hesitates to take in a great many of these boys because, in the course of a month or two, just as they are beginning to work at a job, they will be called for training. A great number of them are rejected after medical examination, but

it is so long between the time they take the medical examination and the time they get their report that it would expedite matters a great deal, so far as industry is concerned, if the report could be received sooner.

Mr. RALSTON: That ought to be done.

Mr. HOMUTH: It would help considerably.

Mr. GRAYDON: The minister made some reference to the national labour supply board.

Mr. RALSTON: Council.

Mr. GRAYDON: Is there any voice of agriculture with respect to that council, or are they going on their own, as it were, so far as selections are concerned? I am interested in it because we all realize that the shortage of labour on farms is now becoming so acute that something has to be done in that regard, and I should like to see agriculture with some representation so far as the labour supply council is concerned.

Mr. RALSTON: As regards the national labour supply council, the Minister of Labour can answer. The Department of National Defence is represented on the labour coordination board, which is the important board after all; I say this with all due respect to the national labour supply council, who are an advisory body. It is not a board which originates and carries out decisions. On the labour board the Minister of National War Services, who is also Minister of Agriculture, has direct representation.

Mr. GRAYDON: What representation is there so far as industry is concerned?

Mr. McLARTY: I do not wish to amplify anything that the Minister of National Defence has said, but in the national labour supply council the representation is directly from manufacturing industry and from labour. As the minister has said, in connection with the interdepartmental committee on labour supply, on which agriculture is represented *ad hoc,* consideration is being given at the present time to the matter of increased labour supply in that industry.

Mr. HOMUTH: Can the minister explain just what coordination there is between these two boards? I was talking the other day to a manufacturer who is doing an important job in the war. I asked him whether he was carrying on his ordinary peace-time pursuits and he said, "yes". He had built an addition for what they are doing in connection with the war. As I say, it is an important job, his being the only firm which at the time was in a position to do it. He told me he had taken in thirty farmers' sons from our territory, and in the course of a year he has made real mechanics of them. He says they are wonderful fellows, coming into industry fresh and strong and with a desire to learn. But there are thirty farmers' sons who have gone into that industry off the farms where they ought to be. It is a serious matter.

In December we had more applications for employment in our plant than we had during the depression, or at least as many. I could not understand it. We kept a record of these men and I wondered why that should be. Then for several days I checked up on the men who came and applied for work. I talked to them personally. Every one was a son of a farmer, a boy who prior to that time had been employed on his father's farm. Now he was asking for work. There are hundreds of boys in Waterloo county who have come off the farms and gone into industry in that county, and it is a serious thing for the farmer. I realize the difficulty of saying to a boy that he must stay on the farm and do that work even though there is not much compensation in it, instead of going into industry and getting higher wages than those paid on the farm. Something should be done. I was wondering whether under our national war services some action could be taken to distribute labour in such a way as not to interfere with production on the farm, because we are going to do it in our county. I know that for a fact.

Mr. GRAYDON: The difficulty raised by the hon. member for Waterloo South (Mr. Homuth) is a real one. When you talk about distributing labour, your greatest obstacle is that when you begin to distribute labour among the farmers you strike the low-wage level as against the high-wage level of industry, and perhaps at no time in our history has this matter been as acutely drawn to the attention of the public and of industry as it is to-day. I see advertisements in the papers stating that young men can leave high school and get, I believe, about fifteen dollars a month and board. That is not so very attractive when you put up against it some of the wages paid in industry. It is not a matter of being a demagogue in relation to the farmers of the country; the question is one of acute lack of parity between farm income and the income of many other industries. This disparity has become so apparent that in it lies the fundamental difficulty in distributing labour at the moment. You cannot fairly say to a farmer's son, "You stay where you are and work for next to nothing during the war, while men in other war industries are being paid a high rate of wages".

In that lies the whole kernel of the labour situation. The sooner this government acting

in conjunction with organized agriculture, comes to the point where something is done to put agriculture on more of a parity with other war industries—because it is a war industry—the sooner we shall be able to distribute labour in the national interest and for the national benefit. While the present lack of parity exists, I can readily understand the position in which the Minister of Labour finds himself in attempting to say to one man, "You stay in a low-wage category" and to another, "You go into a high-wage category." I am not in favour of low wages for the working man; in many instances he is not getting enough; but the solution is not to bring him down but to bring the farmer up, and until we come to that realization we are going to have the troubles this committee is trying to deal with now.

Mr. ROSS (St. Paul's): I have listened with great interest to the minister's description of the difficulties of this occupational selection. We ought, however, to take a longer view of this matter. The minister tells us we shall not need the same amount of judicial machinery to do it the way we are going to do it. I hope the war is going to end soon, but that is not the present consensus. The course of the war is going to change; we are going to require more and more goods, more and more war material all the time; we are going to need aeroplanes, guns and munitions. This idea of calling up the twenty-one year old men now is all very well; but some time we shall have to set up this machinery in order to make a proper selection, and appeal boards and that sort of thing, so why not start as soon as we can?

The minister says the twenty-one year old men are the ones who will be least affected. But things change so rapidly these days, by the end of this year we shall probably need all these young men who have been trained not only in the technical schools but many of them in the aeroplane factories as well. Industry is expanding; they will all be needed. Now is the time to start on the selection, rather than doing it this way now and some other way later. We should have some machinery set up now and take the long view.

Mr. HANSON (York-Sunbury): Did the minister finish his statement?

Mr. RALSTON: Yes.

Mr. HANSON (York-Sunbury): I should like to ask the Minister of National Defence for Air about the construction to be placed on the term, "home war", as used on page 1494 of *Hansard*.

Mr. POWER: With reference to air?

Mr. HANSON (York-Sunbury): I assume it is with reference to air; I had not heard the term used with reference to any other branch.

Mr. POWER: Usually we divide our estimates into three parts: overseas, home war establishment, and the joint air training plan. The home war establishment is the establishment for the defence of Canada; it operates a certain number of defence stations which are not employed in the training plan. The training plan set-up is kept separate from the home war establishment and overseas.

Mr. GILLIS: I want to come back for a moment to the question asked by the hon. member for Davenport. It is an important question, and personally I was not satisfied with the answer. I notice in the break-down of the figures under Pensions and National Health there is an appropriation of $20,000 listed for a committee on demobilization, which indicates that the government are considering the matter of demobilization. To my mind, one of the things that can hurt our war effort most at the present time is to have men who went overseas, did what they could and came back broken in health, some of them wounded, now on the street with just a month's pay and no understanding as to what is going to happen after that. Many of them have dependents.

I notice the British government have enacted legislation providing that a man remains in uniform and is taken care of by the government until he is placed at some gainful occupation. I suppose this committee has been functioning; there is an appropriation for it here and men are being demobilized, but from the answer given by the Minister of National Defence for Air apparently there is not in the department any regulation for or concrete understanding for taking care of these men. I should like to have some more definite answer than was given by the minister.

Mr. POWER: Rehabilitation is not the business of the Department of National Defence. We cannot do it. The energies of the Department of National Defence are devoted to getting the best type of men and training them to fight. When, however, a man is discharged from the army as no longer fit he should automatically go to another department. I can assure my hon. friend that the business of rehabilitation is big enough to require the work of a department that is not engaged in looking after the fighting services. The department of Pensions and National Health has had the experience of the last twenty years, since the

last war, in dealing with those questions. That department is setting up the necessary machinery to look after demobilization.

I expect that the committee on demobilization referred to by my hon. friend is a committee being organized by the Minister of Pensions and National Health, with representatives of labour and of industry, and I think some economists, in order to make a thorough study of what should be done with these men when they come back.

While this study is going on in order to formulate a broad general policy, if men are found unfit owing to war service they are pensioned. If they are not unfit owing to war service; if for some reason they are not entitled to pension, then these veterans assistance committees set up in various centres across Canada are going to endeavour to find them positions in industry.

My hon. friend says that the British government keeps such men in uniform until they obtain positions. I am not aware of such legislation as that anywhere; I do not think it would be feasible in this country to keep in the army twenty or thirty or fifty thousand men who are unfit; it would be a burden which the army should not be called upon to bear. These men should go to another department, the rehabilitation department, and I believe steps are being taken to have them do so.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. DOUGLAS (Weyburn): When the committee rose at six o'clock, the Minister of National Defence for Air was replying to a question which had been asked by the hon. member for Davenport with reference to a request made a few days ago by an organization that, with regard to men who had been discharged, the government keep them on the payroll until such time as they are placed in civilian life. The minister's mind is probably too departmentalized in the matter. I do not believe anyone was suggesting that these men should be kept on in the actual army.

Mr. POWER: That was the suggestion, and it was that suggestion to which I took exception.

Mr. MacNICOL: It was not suggested by me.

Mr. DOUGLAS (Weyburn): I do not think anyone was suggesting that. The trades and labour congress made the suggestion to the government, and I do not believe that, in the memorandum submitted, they made the suggestion the minister has indicated. Their suggestion was that those men be kept on the payroll. Whose payroll it is does not matter. It would be on the government payroll. No one was suggesting that these men could be kept on the army's strength, but it was suggested that they should be kept on the government payroll. In other words, the suggestion was that the government should recognize its responsibility to these men, just as these men in turn have recognized their responsibility to the country.

The suggestion that the veterans assistance committees can take care of these men is not practical. These committees have done some excellent work, and I know a number of men they have assisted to reestablishment in civilian life. But as the war goes on, the number of men being discharged is bound to increase, and the committees giving part time to such a task could not possibly meet the situation.

Mr. POWER: There is a whole department for that work. The Department of Pensions and National Health deals with the matter; that is their job, and it has been their job for twenty years.

Mr. DOUGLAS (Weyburn): It may be their job, but the point I make to the minister is that the job is not being done. There is scarcely a member in the House of Commons who does not know of at least a few cases respecting men who have been discharged. They come in two categories, the first category being those who have pensions coming to them. The minister knows that such pensions do not come by return of mail. The men have to make application, boards have to be set up, and a considerable length of time is required. There is an interim period. What are they to do during that period?

There is the second class of men who are not eligible for pension, and who have to make some adjustments. One month's pay does not begin to tide these men over the period of readjustment. I suggest that some time before this appropriation bill passes we ought to have a statement from the Minister of Pensions and National Health as to exactly what the government's programme is in connection with men returning to Canada for discharge. What is to happen to them during the time their applications for pensions are being investigated? Second, what will happen with respect to those men who are not eligible for pension, but who are trying to become reestablished in civilian life. We ought to

have a statement on these points, because we know that the number of men who will return and find themselves in these positions will increase. It is increasing daily.

Unless the government can give this committee a satisfactory explanation concerning their policy in this respect, we shall have a serious situation in Canada. When these men come back, are discharged and have a difficult time, it leaves a bad taste in the mouths of people across the country. It is not a good thing for those young men who are interested in entering the military services to come in contact with other men in a community who have served for a year or a year and a half, but who, upon coming back, have found it difficult to get jobs.

I am not blaming the Minister of National Defence for Air. I believe his position is quite right. No one is suggesting that the army should be responsible. Certainly, however, the government must be responsible. Unless the government is prepared to keep these men on the payroll, or unless it can set up machinery necessary to their establishment, and, if necessary, train them so that they may enter some branch of service in Canada, a difficult situation will arise. We have a responsibility to them. I hope the responsible minister will tell us, before the appropriation bill passes, just what the government proposes to do.

Mr. MARTIN: Perhaps the minister would permit me a word at this point. I have already concurred in the views expressed by the hon. member for Davenport. So as to indicate that the point before the committee is not purely academic, I would place before the minister one concrete instance, which is one of at least ten or more. I believe this instance will show that there is merit in the point raised.

On one occasion my attention was called by a United States citizen who lives in Detroit to the fact that when he had been in Toronto the day previous, a young boy had approached him, and said, "Can you lend me some money? I have just been discharged from the Essex Scottish regiment, which is at Camp Borden. I am a United States citizen, enlisted in the Canadian army, but because of the regulations"—which prevailed at that time—"which provide an oath of allegiance to His Majesty the King, I have forfeited my United States citizenship. I have now been discharged; I have no job; I cannot return to my own country, and I am really down and out." The gentleman who had been approached, who was anxious to do the right thing, told me where the boy could be found. I learned from him that the boy was at the Salvation Army hostel in Toronto, and upon receipt of that information I caused him to be brought to Windsor.

This was an instance of a man separated from his wife, one who had forfeited his United States citizenship, and could not return to that country, in spite of the efforts of our immigration branch, and our Department of External Affairs. Nothing could be done because he had lost his United States citizenship. He was without funds and without a job. Had it not been for a number of people who came to his assistance he would not have been provided for until such time as he was finally able to get a job. I say without reservation that, without any thought of coddling, we owe that type of man a definite responsibility. We should have seen to it that he had work the day after he was discharged, and that every opportunity was given to him to find a job. Through the efforts of people in the community from which I come he finally found a job.

That is only one case. I bring it up, not because of any belief that the administration is not sympathetic to the problem, but rather to impress upon the committee the fact that in this respect there is a real problem.

Mr. GRAYDON: It is perhaps unfair to ask the Minister of National Defence for Air to answer the question I have in mind, but could he ascertain for me whether the Department of Pensions and National Health has any record of the number of soldiers discharged from this war who are unemployed?

Mr. POWER: A year or so ago I could have given the number of unemployed soldiers from the last war.

Mr. HANSON (York-Sunbury): What about this war?

Mr. POWER: I have not that information, but I would be pleased to get it—if the Minister of Pensions and National Health is not in his seat to-morrow.

Mr. HANSON (York-Sunbury): The Minister of Pensions and National Health is in the chamber. Why should this problem not be dealt with now? The government is not unsympathetic.

Mr. POWER: The minister is not here; he is ill.

Mr. HANSON (York-Sunbury): I thought I saw him coming in ahead of me to-night.

Mr. POWER: No.

Mr. HANSON (York-Sunbury): I am sure I did—unless I am labouring under a delusion. The problem is a real one. There are 18,000 men, 9,000 from overseas and 9,000 in Canada.

These men have been released with thirty days' pay. I have had at least ten cases in my own community of men who have been put out of the army because of a re-boarding, and their medical category did not measure up. Some of those cases are the result of pneumonia in training camps in eastern Canada. The disease left them in bad condition.

I know of one man who had a wife and eight children, and while at Aldershot he suffered from pneumonia. He was let out of the army and was given thirty days' pay. He went away, and the last I heard of him his wife did not know where he was. She was accepting charity, and she certainly put it up to me to see what could be done for her. I could not do anything but give her something.

Mr. POWER: Did he apply for a pension?

Mr. HANSON (York-Sunbury): He could not be found, and as far as I know he has not yet been located. Of course, that is an extreme case.

Last fall the Minister of Pensions and National Health made a rather important statement setting out the whole position and showing that the government was giving consideration to the problem. The only criticism which I think can be made in fairness is that the government have not assumed the whole responsibility. They are assisting, but they are not assuming full responsibility. We asked these men to enlist; they have been turned back through no fault of their own, and I think it is up to this country to assume full responsibility for them until they can be reestablished in civil life. I ask the minister to give sympathetic consideration to this whole problem. It ought not to be such a problem with industry going ahead as I believe it is. Surely jobs can be found for these men. I am not prepared to-night to advocate that they should be given preference in the government war industry, because their physical condition may not be good enough. It is, however, a problem which the country might as well meet fairly and squarely.

Mr. POWER: I am under the impression—and I think I am right—that the problem is being faced by this rehabilitation committee which has been set up, and it is certainly being actively considered by a committee of this house. The committee has asked for an extension of its powers in order to study the whole rehabilitation question. The hon. member for Vancouver South (Mr. Green) is an assiduous follower of these committees and perhaps he has more information than I.

Mr. GREEN: That is correct.

[Mr. R. B. Hanson.]

Mr. POWER: A committee of this house is actually studying this problem, as is a committee of the department. What conclusions they have arrived at up to the present, I am unable to say. I shall be glad to advise my colleague, the Minister of Pensions and National Health, of this discussion.

Mr. HANSON (York-Sunbury): In the meantime their stomachs are not filled.

Mr. ROSS (St. Paul's): The Minister of National Defence for Air (Mr. Power), who is the acting Minister of Pensions and National Health, knows how keenly I feel about this matter. There are many of these men in my riding. Our difficulty is that democracy is slow in acting. I know the sergeant-major who is looking after these fellows out at the exhibition grounds; he knows them intimately and he has told me of the difficulty there is in getting them fixed up. A man may be discharged when in need of medical attention, and the question is where he is to go.

Mr. POWER: There would be no trouble about that; he would go to Christie street.

Mr. ROSS (St. Paul's): I have had some correspondence about this matter with the Minister of National Defence as well as with the Minister of Pensions and National Health. These men are being discharged and many of them may not be pensionable. As this sergeant-major says, unless something is done we are going to make reds of these fellows. I wish to impress upon the government the necessity of speed in getting this situation cleaned up. These fellows must not be sent out with nothing to do; they must not be allowed to go on relief. It is all very well to say that a committee has been set up to study this matter, but I should like to know what the government have done about getting in touch with the various employment agencies throughout the country, particularly in Ontario. These men should be given every possible consideration. We must not make agitators out of them. We must have speed in solving this problem.

Voluntary committees may be all right, but we want more than that. Such committees are likely to let things slide and something should be done immediately to have these men placed. We do not want any injustices. I know that in my riding many of these men have developed into agitators. We do not want that sort of thing. Perhaps these men could be kept on the strength until this pension committee gets through. I understand that at the present time they are given a month's pay; is that right?

Mr. HANSON (York-Sunbury): Yes.

Mr. ROSS (St. Paul's): If they cannot get jobs there should be some way of taking care of them in the meantime. These men are sore at being turned out. They feel that the doctors did not know what they were talking about. I cannot speak too strongly about the need for speed in getting something done in connection with these men.

Mr. CASSELMAN (Edmonton East): Having heard what other hon. members have said about this matter, I should like to give my experience in the city of Edmonton. Just before coming to Ottawa in November, I took the trouble to get from an officer of the veterans assistance committee the number of men who had been turned out, and at that time it was forty-eight. I received the last weekly report just a few days ago and this shows that the number has increased to eighty-eight, or almost double. This officer was doing all he possibly could to place men, in either permanent or temporary jobs. He is able to place only from four to five men a week and the list continues to grow. He is trying to have some of these men placed upon the waiting list for the youth training programme in order that they may obtain some extra training to fit themselves for mechanical jobs. There seems, however, to be a hold-up there, because these men must stay on the waiting list for a considerable time. Our schools out there are doing a wonderful work in taking on these men, but they have not been able to take them on as fast as the list piles up.

I should like to associate myself with those who have spoken on this matter. No doubt this committee is trying to do something, but what are these men to do in the meantime? It has been suggested that in the coming year we shall need 300,000 more workers in factories now being built and nearing completion. I wonder what coordination there is between the Department of Pensions and National Health and the Department of Labour with a view to utilizing these men in these jobs. Possibly those departments are doing something, but it seems to me that here is where some concrete progress could be made. Surely the services of these men could be utilized in some capacity.

Mr. NICHOLSON: I should like to ask the Minister of National Defence for Air what the policy is in connection with the establishment of training schools. A year ago the minister made it quite clear that no consideration would be given to representations by boards of trade or local organizations with regard to the selection of sites. I have before me the Melville *Advance* for February 20, in which is reported an interview with Pilot Officer Cecil Bass of the Royal Air Force who was on leave from Carberry, Manitoba. The report reads:

> We urged Melville to get an air port by any means possible so as to have a part in this great air development of the future. "Pull all the strings possible and get that air port somehow," he said.

I notice by the press from time to time that delegations come to Ottawa from different parts of Canada. Would the minister inform the committee what policy is followed in the selection of these sites.

Mr. HANSON (York-Sunbury): And how many applications for airports he has had.

Mr. POWER: I had imagined that after three weeks of this debate, someone might get around to talking of the Department of National Defence for Air, although for a time I was under the impression that this department was going to be forgotten entirely. I had proposed to make some kind of statement on the progress of the department, indicating what we have done and what we propose to do; and in view of the fact that one must almost barge into this debate, I might as well make a statement now as at any other time. In the course of my statement I will come to the question of the selection of aerodromes, and "pulling strings," as my hon. friend puts it. I do not propose to make a formal statement at all. I know the committee is reluctant to hear such statements and I am not particularly enamoured myself of that kind of statement, but in an informal way I should like to discuss the air training plan in particular and to explain to the committee in a broad and general way just where the money which the committee is asked to vote this year—$250,000,000—is going.

As I said this afternoon in answer to a question by the leader of the opposition (Mr. Hanson), the estimates, broadly speaking, are divided into three parts. It is proposed to spend during the year 1941-42: on the home war establishment, $154,000,000; on the overseas war establishment, $15,800,000. Then there is the commonwealth air training plan, and if the committee will permit me I shall deal for the moment only with the commonwealth air training plan, being quite willing to answer in due course any questions that may be asked with reference to the other two branches of the service.

There has been a great deal of confusion in the minds of the public and of members of the house and in the press as to the air training plan. It is a huge, complex and complicated undertaking, but in a word it is this: The government of Canada is a contractor for the whole British empire to turn out—and this

is what I wish to emphasize—an output of air crews, consisting of pilots, gunners and observers. That is the job of work we undertook to do. All else—aerodromes, buildings, aeroplanes, trained technicians, instructors—is only incidental to the process of doing the job we were asked to do, namely, to turn out thousands of pilots, gunners and observers, and I submit to the committee that we should be judged on the results of the job of work which we have been asked to do.

We are at the same time partners and contractors for our partners. The partners are the United Kingdom, New Zealand, Australia and Canada. We are contracting, but at the same time we are contributing, in that we contribute about 65 per cent of the joint funds and 90 per cent of the raw material, which is the young men who go into the plan and afterwards become the output, the air crews that are handed over to the Royal Air Force as members of that force. We are producing for the Royal Air Force the human units which belong to the Royal Air Force as they are graduated from our schools. I hope to make that clear to-night because I have not perhaps made it clear enough on other occasions when I have addressed the house. Our contract calls for the delivery of a certain number of human units at certain specified times.

Canada was selected from among the nations of the commonwealth to undertake this job, partly on account of our freedom from prospective attack, partly on account of our proximity to the United States, which would furnish us with a supply of raw material, and partly on account of our proximity to the United Kingdom, which would also supply us with material, and which was close enough and accessible enough to make delivery of the output easy. Fourth, I suggest that Canada was chosen because of the reputation of Canadian youth for efficiency and gallantry during the last war as members of the Royal Air Force and of the air arm of the navy.

A large part of the energies of the officers, staff and men of the Royal Canadian Air Force is devoted to this job. We might have preferred; I imagine that most of the officers of the air force would have preferred, a more direct contribution, that is to say, that we send over more all-Canadian squadrons. We were, however, asked to do this job as a matter of empire cooperation. It was believed, and I think in the event it will be proved, that the belief was founded upon common sense and reason, that by pooling the efforts of the empire to produce these young men and put them in the firing line, we would do much better than if each part of the commonwealth endeavoured to carry on, on its own.

Mr. HANSON (York-Sunbury): The minister is speaking of the work of fighting over there.

Mr. POWER: No; I say that in order to get more of these trained fighters over there, it was considered best to coordinate the efforts of the empire in this commonwealth training plan, that eventually by that means we would get more and perhaps better trained fighters over there within possibly a shorter time than would likely be the case if each part of the empire started out on its own to raise so many squadrons here and so many squadrons there. That is an entirely different set-up from the army.

Mr. ROWE: Can the minister indicate how many there are now?

Mr. POWER: I am not permitted to tell the committee the number of graduates from the air training plan schools.

Mr. CASSELMAN (Grenville-Dundas): Nor the number being trained?

Mr. ROWE: I ask the minister's pardon if I embarrassed him with my question. He had stated that he wished the plan to be judged by results, and therefore I thought my question was a reasonable one.

Mr. POWER: I am very much afraid that the results will not be known until later in the war and possibly not until afterwards. In the meantime I shall endeavour to indicate to the committee as best I can just what success there has been.

In 1940 there were pre-zero arrangements. The plan itself actually started in April, 1940. It started with 168 pupils, and I remember that there were bursts of ribald laughter all across Canada at that time that we should be proposing to win the war with a schedule of 168 pupils. It was said by everyone both in the house and in the press that you could not win a war with a schedule.

Mr. HANSON (York-Sunbury): What was said in the house?

Mr. POWER: I think it was said in the house, but I acquit my hon. friend of having said it. You cannot win a war with a schedule, I admit, but a schedule is an indication of study and planning, and the only way you can win a war is by studying and planning, and producing and getting the men at the right place at the right time. During the months of May and June last year, we did have a period of anxiety when it appeared evident that it would be very

difficult for us to get our supplies to carry on. I pass over that; it has already been discussed.

In November last I was able to tell the house that, certain classes having graduated, certain pilots and other air crew having been produced, the plan was no longer an experiment; it was a success in that we knew that we could produce. But it remained to be seen whether we could succeed in mass production. To-day I am able to say that, with 60 per cent of the plan in operation, and about ten production lines, that is series of schools, operating, we know now what we can do and we have gone in for mass production and have succeeded. Not only have we succeeded in producing what was originally intended in the plan, we have almost doubled it. Let me give figures—which do not represent the actual statistics—to illustrate my point. Supposing, when the plan was conceived and when it was started back in April, it was considered that the output on the 28th February, 1941, should be, let us say, 500 gunners, observers and pilots; not only have we achieved that figure, but we have achieved almost a thousand; to be nearer the mark, let us put it at, say, 950, because we were 5 per cent below the doubled figure which was our second target. There is a good deal of confusion about this; I do not mean that we have doubled the plan; we have simply accelerated so as to get more schools operating, more production lines, if you like, and more output at the time when, we figured, that output would be most needed; that is, now.

Mr. HANSON (York-Sunbury): Has there not been a reduction in the length of the course, too?

Mr. POWER: Yes. I am going to explain later the reasons for that, but I am now explaining the results. I am not asking for any particular commendation or praise of us, because the results have not been achieved entirely by our own efforts. Some having been due to fortuitous circumstances; some, to change of plan by the Royal Air Force, and some, to other factors; and, as I expect to say in a moment, in some instances we accelerated and perhaps may have reached a danger point in the plan generally.

Mr. ROSS (St. Paul's): And the men themselves.

Mr. POWER: No, not the men.

Mr. ROSS (St. Paul's): I mean the calibre of the men.

Mr. POWER: No; the calibre of the men is all right.

Mr. HANSON (York-Sunbury): I think the hon. member meant that the young men themselves are entitled to a meed of praise.

Mr. POWER: Oh, certainly.

Mr. ROSS (St. Paul's): That is what I meant.

Mr. POWER: Certainly, and the instructors; the members of the air force, and everyone who put his shoulder to the wheel in order to get this thing done.

I wish to make it clear that we never intended to double the plan; that is, double the number of schools, of aircraft, of output; all we did intend to do and what we have succeeded in doing was so to accelerate the output that at a given time it was almost double what it had been proposed it should be.

With all the units in operation in September, 1941, the plan will automatically flatten out and the number which it was intended to produce at that time will be produced.

Mr. HANSON (York-Sunbury): Can the minister say with safety approximately what the flow will be at that time?

Mr. POWER: I am not even allowed to say that. I have the figures, and would be glad to give them in confidence to my hon. friend, but I cannot say publicly what the flow will be.

Mr. HANSON (York-Sunbury): I am not disagreeing with the minister.

Mr. POWER: The reason is obvious, that the lines of battle could easily be figured out if it were known how many pilots, how many gunners, how many observers were sent overseas. The enemy could then readily know how many squadrons there would be in Great Britain at a given time, and we are told that we must not give that information. I would only be too glad to do so if I could. The important thing I should like to impress upon the committee is that we have produced air crew now, and that a large number of them are overseas taking part at the present moment in the fighting over Britain.

I have in my desk a statement which I happened to read in the press two days ago, which will indicate that, even though we are not supposed to say anything about the success of the air training plan, our friends in the United Kingdom are not so chary of talking about it. In the Ottawa *Journal* of March 11 appears a dispatch giving an account of Sir Archibald Sinclair's statement in the House of Commons with regard to air training and the air services generally. He said:

While Sir Charles Portal, Chief of the Air Staff, listened intently from the gallery, Sir Archibald told the cheering house men trained

in the commonwealth air training plan now are flying against the enemy, "and in battles this year our cause will be sustained by Canadians, Australians, New Zealanders, and men from this country, trained side by side."

That should be evidence that in Great Britain, at least, they believe we have been successful in our effort. I have here somewhere, also, a tribute—

Mr. HANSON (York-Sunbury): Oh, never mind the encomiums. Give us the facts.

Mr. POWER: Apart from the dispatch overseas of air crew, I should like to make reference in a rather guarded way, but so that the committee will know to some extent what is going on, to another feature of the work which we have been able to accomplish. We read in the press a month or so ago a statement of Air Vice-Marshal Sir Hugh Dowding, former Chief of the Air Staff of Great Britain, to the effect that night bombing was being overcome, that certain devices had been developed by the United Kingdom authorities to overcome night bombing, and that he hoped that before long they would be successful. Canadian scientists, and to some extent United States scientists, played no mean part in the further development of these devices.

I should like to mention also that men were needed to operate these devices, and it was to Canada they turned to get many of them. In November we sent more than 300 overseas, and they have been followed recently by many hundreds more. That is why we have been combing the country from one end to the other to find radio mechanics, who are being sent over for that purpose; and if any hon. members of this committee know any radio mechanic who desires to enlist and go overseas at the earliest possible moment, I should be only too glad to get his name and send him over. As a matter of fact, we have been of great assistance to the mother country in recruiting a considerable number of these young men and sending them over for the purpose of doing this important specialized work.

Mr. HANSON (York-Sunbury): Will the minister be good enough to tell the committee just what part the British technicians played in establishing the scheme? My understanding was that we were woefully scarce of technicians in Canada, and naturally so.

Mr. POWER: In establishing the scheme —the device? The device was invented in Britain.

[Mr. Power.]

Mr. HANSON (York-Sunbury): I do not mean that. I am referring to the empire air training scheme, the technical assistance given there.

Mr. POWER: I was about to say that that was the bright side of the picture and to proceed to deal with what is not quite so bright; but before doing so I might reply to my hon. friend. I could not give offhand the number of Royal Air Force officers that are attached to the Royal Canadian Air Force for the purpose of putting this air training scheme into effect. I do not know the numbers offhand, but there have been a large number of officers—for instance, the director of medical services, Group Captain Ryan, who is a Royal Air Force officer. He was lent to us, and so was the director of training, Air Commodore Leckie. He enlisted in Canada in the last war, but he was born in Scotland, and I believe he served in the Royal Navy, fleet air arm, for many years until lent to Canada. A number of others are in the same position. They have been lent to us by the Royal Air Force to help us to put the plan into operation. I suppose the proportion would be extremely small as against the number of officers whom we have at the present time.

Mr. HANSON (York-Sunbury): But at the beginning, were they not the nucleus of the training staff?

Mr. POWER: I would not say that. The nucleus of the training staff really came from the permanent force of the Royal Canadian Air Force, with such assistance as they could get from the Royal Air Force. That is the bright side of it. On the other side we have to admit, I must say, that the result, successful as it has been, has not always been brought about by orthodox methods and that the acceleration in itself has brought difficulties which we must face.

For instance, we built aerodromes faster than was required—not faster than we should have, but faster than was required by the original plan. We would have very much fewer built to-day if we had not decided to accelerate. The result was undoubtedly that the cost was higher. When we decided to accelerate last spring—and, as was said to-day, everyone was for speed and more speed—the emphasis was not on economy, I will say quite plainly to the committee, so far as the air training scheme and the putting up of our schools and the development of aerodromes were concerned the emphasis was on getting them built as fast as we could in order to put pupils into them and have those pupils turned

out. The result was a higher cost and, I should say, greater confusion probably; that expansion of itself disorganized the steady expansion which was planned, and caused us a great deal of trouble.

Another factor in the acceleration was the shortening of the training period, as my hon. friend has pointed out. That was as a result of consultation with the United Kingdom authorities. It has, however, the effect of transferring certain of the more advanced training to a position nearer to the theatre of actual war. It does not bring the pilot out, in many instances—it refers only to pilots—very much earlier than would have been accomplished under the old system we were following, but it does send him overseas where he completes his training in operational work a little earlier than he otherwise would.

There is another factor in the acceleration—what is called "overbearing." We took a certain number of pupils into a school at one time; and after consultation we found, particularly in the elementary schools, that with the establishment, both in aircraft and in instructors, it was quite possible and quite easy to train more pupils than were originally allowed to these elementary training schools. We increased the number in the proportion of four to five. This to some extent placed a greater burden on the instructors and required also the building of additional accommodation for the extra pupils we took in, at greater cost.

There was another factor. We wanted to get aircraft more quickly. That placed on the shoulders of the Minister of Munitions and Supply a burden which became pretty heavy for him to bear. It is easy for me to say, "Open a school six weeks, or two months or three months earlier than it was planned to be opened." We can get the building erected and we can scurry around and get instructors, but it is left to the Minister of Munitions and Supply to find the aircraft. He has had considerable trouble over that, and I wish to pay him this tribute, that so far he has not complained very much about the burden put upon him.

Then there are real dangers, which we hope to be able to deal with, in this acceleration itself. Aircraft, like any other machines, need overhauling. At the present time most of the aircraft we have are new and we are using up our capital. We are using these aircraft as hard and as fast as we can. In normal times, if this were not war time, I would say that the leader of the opposition could rise in his place and accuse me of the most reckless extravagance and improvidence.

Mr. HANSON (York-Sunbury): Not you.

Mr. POWER: Not me, no. As a matter of fact, we are using up that capital. These aircraft, after a certain period of time, need overhauling. They cannot keep on running eternally and the time will come—I wish to make this danger plain to the committee—when we shall have too many needing to be overhauled at the same time. This will not bog down or stop the plan, but it may retard it to some extent. I say frankly, I have no alibi if that happens, but we know there is that danger.

Mr. CASSELMAN (Grenville-Dundas): Will lack of overhauling mean casualties?

Mr. POWER: No; but the planes will be grounded. They will be unserviceable. I understand it varies with different types; but with certain types, after they have gone 360 hours, they must be taken down for overhauling. If the work is something of a minor nature it can be carried out at the station and might take a week or so; but if it is something major—from 360 to 400 hours—it may take a month in order that every part of the machine may be gone over so as to make it thoroughly safe.

Mr. HANSON (York-Sunbury): Is provision being made for that now?

Mr. POWER: Yes; in the estimates there is something like $19,000,000 for that kind of overhaul at contractors', apart from the ordinary maintenance overhaul which we have at the stations themselves.

Mr. CASTLEDEN: Would the minister give the break-down of that $250,000,000.

Mr. POWER: I will later on. This overhaul not only means that the contractors must have efficient men, but it also means—and there is our greatest difficulty—that we must have spares. Spare parts are really our greatest difficulty at the present time. That arises from the extreme desire of all manufacturers to produce the completed article; they are not very much interested in making spare parts, they want to be able to say, we have turned out so many aircraft. The result of that is that we have a large number of aircraft which at the present time are down and unserviceable for lack of comparatively small spares. We are endeavouring to have these spares manufactured in Canada as far as we can.

Mr. ROSS (St. Paul's): Is that for the primary trainers or the advanced?

Mr. POWER: I am speaking of the plan as a whole. There is not so much difficulty with the primary trainers, because they are manufactured in Canada, but the advanced

trainers come from either the United States or Great Britain. I do not think I am saying anything derogatory to the effort Great Britain is making; in fact, I am astounded that they are able to ship their spares in such an orderly fashion as they do. It would not be astonishing to find them just jumbled into boxes and shipped, but in fact they are shipped in pretty good order. At the same time there is, in many instances, a lack of comparatively unimportant spares.

Mr. STIRLING: Is that not a very strong argument for subcontractors for these parts?

Mr. POWER: We are endeavouring to have these parts made here as far as it is at all possible so that we shall not have that difficulty. We are even going beyond that; we are endeavouring to have them made in our own shops, hand made; it takes longer perhaps, but not as long as trying to get them from the other side or the United States.

As I say, this is a serious danger. As far as we have been able to estimate we do not believe that the plan will ever go beyond 15 per cent less than the target output; we might perhaps go 20 per cent below if we were so unfortunate as to have a very large number of our aircraft down at the same time for lack of spares. In order to meet that difficulty the deputy minister, Mr. de Carteret, has asked Mr. Colbrook, who came to the department some six months ago from the Robert Simpson company, Toronto, to be the trouble shooter and take special charge of this job of seeing, first, that the overhaul work is carried out by the contractors, and, second, to rush the spares as fast as possible. We think we can overcome that obstacle, but it is a serious one in the way of continuous output.

It might be interesting to the committee, and I do not know that it will give very much information to the enemy, to have some idea of the present situation with regard to aircraft. Let me say, first, that when the plan is complete—and it is a three-year plan—in April, 1943, we shall have put through the plan 6,100 aircraft, and I am making allowance for wastage; we shall have something over 6,000 aircraft—I speak now only of the training planes.

We have at the present moment something like 2,400 aircraft of all types. I can give the percentages of aircraft at the different types of schools. When I speak in percentages I speak not only of what is called the initial establishment but also of the "in reserve". We have in our elementary schools 100·9 per cent of planes, so there is no difficulty there. The service flying training schools are of two kinds, one which uses twin engines and the other which uses single engines. As far as the twin-engine schools are concerned we are short of aircraft; we have 46 per cent of what we should have. As far as the single engine schools are concerned we have 89 per cent of what we require, which is reasonably good; it means that our reserve is not up to what it should be, but we have all we want for the initial establishment.

Mr. ROSS (St. Paul's): What kind are the single engine planes and what the twin-engine planes?

Mr. POWER: The twin engines would be Ansons and Cessna. The single would be Harvards largely. The schools are equally divided at the present time, five service flying training schools using single engines and five using twin engines. In the air observer schools we have 70 per cent of our requirements. They are twin-engine Ansons. For the bombing and gunnery schools we have 86 per cent. For the air navigation schools, which need a very small number of twin-engine aircraft, we have 44 per cent and we can soon catch up. For the wireless training schools, single-engine aircraft, we have 82 per cent.

With respect to the Ansons, we never expected to get them until April. We did, however, expect to do better with what is known as the Fort Fleet 60, which is being made or assembled by a private manufacturer in Canada, because it carries an American Jacobs engine. We expected to get that in December, or January at the latest, but at the present time we have a promise that we shall receive production at the end of March. In order to overcome that difficulty, which was to some extent foreseen, Mr. Ralph Bell and Mr. Duncan, the former deputy minister, in July or August went to the United States and purchased a very large number of twin-engine Cessnas, which are now beginning to arrive, and I am told by our training officers that they are an excellent machine and will in every respect not only replace but probably be better than the Ansons. There was a little delay in the arrival of these Cessnas some time in January, and it gave us cause for some concern, but the production now is coming along very well and will fill the gap for some little time to come.

I do not want to enter into the controversy which has been stirred up in the press with respect to the power and authority which should be conferred on the proposed minister of aircraft production, or on the suggestion made that this minister should control all the engineering. It is a long, long controversy which has taken place probably in every business, as to whether the man who uses the article—in this case it is a plane—should have

something to do with the design of it, or whether he should give his orders for the plane, fold his arms and let the thing be built for him.

Speaking without any authority, with the exception of what I have read, I have learned that the German system prior to the war was to establish a model and to go ahead and produce it on mass production lines. On the other hand, I learn that the British went in for developing better and better aircraft. The result was that they had fewer of them, but the result was also that they had the Spitfire and the Hurricane when the time came.

I do not wish to take one side or the other in that controversy, but I do say that the aircraft production side may have grounds for saying that to some extent they have been delayed by the engineering side in the Royal Canadian Air Force. The engineers and the operators of the machines—the people who fly them—are constantly looking for the newest improvements. There is no doubt about that. There is the tendency on both sides to carry out their ideas. The producer wants to put the thing on the production line, and get it off. He does not want any change. The man who is going to use it does want change. As I said, I am not going to take one side or the other, but I think the committee is entitled to the statement that there are two sides to the story, and that either side can make a pretty good cause.

I have given what I thought was the good side of the picture. Then I pointed out the difficulties in production. I should now like to refer to what I describe as the headaches.

Mr. HANSON (York-Sunbury): Headaches?

Mr. POWER: Yes, headaches. The house and country has quite a legitimate concern in all matters connected with the air training scheme, and particularly as it affects individuals and as it affects different sections of the country. But I would say and repeat that our job is to produce air crews, and we must take every possible means we can to get on with the production. It is just too bad sometimes if some hon. member does not get an aerodrome in his constituency, but I am not going to stop the plan to discuss the matter with him. I suggest to the committee that this is as good a time as any for them to have a bargain day, and for all of them to rise in their places and tell me how well suited are their particular constituencies to accommodate the building of aerodromes. There is the one who claims that there should be an aerodrome in his constituency because the people in it are more loyal than the people in any other part of Canada. There is the other person who claims that there should be one in his constituency, because it would help to keep the disloyal element down. I would like to take in both sides.

Mr. CASSELMAN (Grenville-Dundas): Too late for that now.

Mr. POWER: That is one headache. There is a further headache, and perhaps one more difficult of solution. Perhaps it does not affect individual members, but it does affect those of us who are operating the plan. I refer to the matter of recruiting. Perhaps hon. members will bear with me if I outline some of the difficulties in connection with recruiting.

At the beginning of the war thousands of young men desired to join the air force, and we were obliged to put them off. We could not take them all in. There was no room for them, either in the training schools which trained the technicians, or at other points. When I refer to training schools I have in mind schools like that at St. Thomas. May I add, in passing, that we now have about 6,000 technicians in training at St. Thomas and other places, and we have actually trained and brought into the force 10,000 trained mechanics.

If those young men were mechanics before they joined the force, there was very little difficulty in bringing them in. But if they were not mechanics, they were difficult to handle because we had to open schools for them. If they intended to become air crews—and that includes pilots, gunners and observers—it was still more difficult because, up until April we really had no schools for them. At that time the schools began, but very slowly.

We were considerably worried as to what we should do. I believe it was last May or June that I announced in the house that rather than see these young men go around kicking their heels while waiting, we would take them in and give them three months' drill. We did that. We took in 5,000, and gave them the drill. Those young fellows are now in the plan, and are being turned out as air crews.

But our difficulty is this: I do not mind saying to the committee that we will require thousands and thousands of air crews. Those young men represent the very flower of the youth of our country. They must be A-plus physically, and they must have educational qualifications equivalent to matriculation from high school. In order to give some idea of the problem, I might refer to some figures which, I believe, were placed on record by my colleague the Minister of National Defence. I refer to the number of young men of the age of twenty-one years. There will be for

training this year 93,000 young men of the age of twenty-one years. Without hesitation one can knock off 33 per cent of those as being unfit even for military training camps. That is, they would be placed in classes C-1 or C, and unfit to walk five miles. They are completely eliminated, so far as the air force is concerned. Then, the difference between C and A-plus, with good eyesight, would mean that one would knock off another 30,000, leaving about 30,000 annually from which we can draw.

Then, if one looks at them from the point of view of educational qualifications I believe he would knock off another half of those—these would be the ones who have not high school matriculation—leaving 15,000 eligibles. Laying aside figures which I have, but which apparently do not fit the picture any better, we find that in all provinces, with the exception of Quebec, there are 119,000 young men in secondary schools, and approximately 30,000 in Quebec. I give the two figures, because the school systems are not the same. This makes a total of about 150,000 in all schools. But I take it they would be in three or four age groups, and I have not been able to arrive at an accurate yearly figure. But the figure I have taken is that of the young men of twenty-one years. Therefore, that leaves me for the air force approximately 15,000 men a year. The year brackets are from eighteen years to twenty-eight years, and we are not particularly keen on accepting anyone over twenty-five years. Therefore the pool from which we can draw consists of about 105,000; and there are, let us say, 15,000 or 20,000 more coming in every year.

We will need thousands of these young men. I do not want to say how many thousands a month, but we will need thousands a month. We do not need them all yet. I have in hand a reserve of about six months, but we do not want to let them get away from us, if it is possible. That is our problem.

What we are doing at this time is to let them come to our recruiting offices. We enlist them, and let them go away on leave without pay. We tell them to come back in July or August. We say to them, "Do not give up your jobs; do not give up your schooling; we will require you; we will tell you to report in July or August; the day on which we tell you to report will be the day you will report, and there will be no further postponement."

The difficulty up to the present time has been that we could not tell a man when he was coming in, because we did not know exactly how our plan was getting along. But we do know now, with some degree of certainty. We are able to say that a certain number of men shall come in every month, or on such and such a date.

Mr. STIRLING: Have they had their medical examinations?

Mr. POWER: We are going to enlist them, pass them through their medical, put them in the air force, let them go away without pay, and tell them to come back in three or four months. At the present time I have in hand about five or six months' supply. We would want at least three months' supply ahead, so that at the end of about three months from now we would be taking in some of the men who come before us to-day and who are sent away on leave. That is the only way I can think of whereby we can hold these young men. They are going to be extremely precious to us. I do not want the committee to get the idea that I am starting an intensive recruiting campaign. We are not doing that because the time is not ripe yet. We do not want our recruiting offices to be thronged with young men at the present time. Our present plan calls for a certain number of students to go into each school each month and we cannot take any more unless we expand the plan. The plan may be expanded, but at the moment it has not been decided to do so.

Mr. ROWE: The minister said a few moments ago that there would be 15,000 of the twenty-one year age group; he then mentioned the group from eighteen to twenty-eight years and I understood him to say there were 105,000 in that group.

Mr. POWER: I said that I was not particularly anxious to have the twenty-five to twenty-eight group; I would rather have them under twenty-five years. Seven times 15,000 makes 105,000, but the ten-year bracket would give you 150,000.

Mr. FRASER (Peterborough West): Will the recruits who have been examined and who are to come back in July be given another medical examination?

Mr. POWER: I would expect that they will be.

Mr. FRASER (Peterborough West): If a man does not pass the second examination, will he be eligible for pension?

Mr. POWER: They must be good men to be passed. I would say that point will come up in the pension committee, as to whether the disability which a man might incur during the time he is absent on leave without pay would be pensionable. I leave that to the good judgment of the members of the pension

committee to decide. Offhand, I would say, "no", but that will be something for them to decide.

Mr. ROSS (St. Paul's): What matriculation standard is required?

Mr. POWER: High school.

Mr. HANSON (York-Sunbury): In each province?

Mr. POWER: In the province in which a man applies.

Mr. TUSTIN: Is any arrangement made to transfer men from other forces to the air force after they have enlisted? Many young men who applied for the air force have since enlisted in the other forces and some of them are anxious to get back in the air force.

Mr. POWER: Mr. Churchill calls that combing the mane to sharpen the tooth. I am strongly in favour of it. If we are ever stuck for recruits, I think we shall go to the army to get them. I think we shall be able to get quite a number who would be fully qualified. My colleague says that he is not so keen on my taking men from the navy. It may be that the supply will be exhausted sooner than we expect.

Mr. JOHNSTON (Bow River): There are many young men who are actively engaged in England at the present time and who would like to get into the air force. I have in mind a young fellow who has been over there for seven months. Before he left he tried to get into the air force and he was given the assurance that the transfer could be made. When he got to England he attempted to get a transfer from the artillery into the air force, but he was told that no provision had been made for such a transfer. He was advised that plans were under discussion and they thought that within a short time he would be given a transfer. Has anything been done to take care of such cases?

Mr. POWER: Plans were brought before me during the last two or three weeks whereby Canadians serving in England might be transferred to the air force if they were found to be qualified. I am not sure of the details, but the principle has been accepted.

Mr. JOHNSTON (Bow River): It has not been completed.

Mr. POWER: I cannot say whether the appropriate cables have been exchanged.

Mr. HANSON (York-Sunbury): That principle was in effect during the last war when Canadian lieutenants were transferred to the Royal Air Force.

Mr. POWER: I do not mind telling the committee that some difficulty may arise on account of the set-up of our air training plan. That plan calls for everyone to go in as a private. There might be some difficulty in having men come into the plan who have commissions in other services. That is really one reason why I am dodging it for the moment. I understand it is being done in England without any difficulty, but there may be some trouble here. Under our plan young men who may be able to qualify for commissions in the army join as members of the air crew in order to go through the six months' course and be commissioned in the air force. They might feel that they had not been treated fairly if someone else came in direct from the army with a commission. That is something that must be ironed out.

Mr. CASTLEDEN: Will the minister give the committee a break-down of the 1941-42 expenditure of $394 million, referred to on page 1494 of *Hansard?*

Mr. POWER: May I finish with my headaches first? I just want to enumerate them because I know every member of the committee has some knowledge of some of them. I simply want hon. members to know that I am fully aware of them.

The next thing is the selection of air crew and the granting of commissions. There has been a slight change, but originally all young men who wished to be air crew went into the initial training school after going through the manning depot and the security guards, if necessary.

Mr. HANSON (York-Sunbury): Is the selection left to the man himself, or is that made by the selection committee?

Mr. POWER: That is where I am coming to the trouble. The vast majority of the young men want to be pilots as there is more glamour in that branch of the service. It must be remembered that the whole set-up is based upon the Royal Air Force, to which these men are consigned after we graduate them. Fifty per cent of the pilots receive commissions, thirty-three per cent here upon graduation and seventeen per cent within a few months. The same thing is true with respect to observers; but with respect to gunners, few if any receive commissions until they have proved themselves in actual fighting at the front. As a result of representations made here, the United Kingdom has recently agreed to give commissions to two per cent of those graduating as air gunners.

But here is the difficulty. Assume we have three young men with equal attainments, possessing the same educational qualifications

and physical standards. They enter the initial training school where the selection is made. After a month or six weeks one is told that he will be a pilot, another that he will be an observer and the third poor devil is told that he will be a gunner. For six months he must study wireless at the wireless school. It is very difficult to explain to the boys and the parents just why this is. I must say that the men in charge of these schools are of the highest calibre, but I have always had some doubt personally as to whether one young man can be sufficiently observed among 600 in a short space of time to decide whether he shall be a pilot, an observer or a gunner. But that has been the way it has been worked, and it has given us more trouble than anything else.

I can give some instances. A son of a very great friend of mine, a judge in one of the provinces—if I am not mistaken he is the chief justice—came from the university to join up as air crew. After a certain time he was told that he would never make a pilot, that he would never make an observer, but that he had to be a gunner. The son was naturally very much disappointed and his father wrote to me, but I could not do anything about the matter.

Another case was that of the son of a very great friend of mine, a former associate in matters connected with pensions, veterans' problems and so forth. This young man also had had a university training, but he was told that he had to be a gunner. His father was very much upset because he had intended the boy to try for a commission in the infantry, but the boy wanted to be a pilot. Unfortunately he did not qualify. And so on all down the line.

I could tell the committee of an amusing case. An old friend of mine came to me and said, "My boy must have been made a gunner, I think, on account of his name". The family name was not MacDonald or MacPherson or MacIntosh, but they were descendants of people who had been kings in their own land many years ago. I asked, "What is wrong with his name?" He replied, "His first two names are Roger Casement, but little did I know when I christened him that he would be fighting against those devils some day". He had suspected that because his name was Roger Casement he had not been appointed a pilot.

This just illustrates one of our great difficulties. We have lowered the standard of education for gunners, and there is the odd chance of two per cent getting commissions. But even though the chances of a commission are the same for observers as for pilots, the young men always insist on trying to be pilots. We have endeavoured to the best of our ability to show them that observers perform just as essential work as pilots—as a matter of fact the observer course is harder—and work that is just as useful, but in the public imagination the pilot is the man. Members of parliament have written to me to see what can be done about such and such a boy and I have always said that I do not dare to interfere. Members of the committee will readily understand that if I interfered in one case I would bring down on my shoulders the burden of choosing vocations for thousands of young men, and I am not going to do that.

Then there is the security guards policy, to which I referred a moment ago, the policy of keeping these young men in reserve. We send them out as guards for aerodromes. It is pretty hard on the young man who thinks he is going to join the air force and that within a week or two he will be riding the skies, to have to be sent to Yarmouth or Prince Rupert or somewhere else to form fours. He does not like it, of course. But we were obliged to adopt that policy in order to keep them in reserve. We are trying to get away from that policy as much as possible, but we still want to have available at least 3,000 to 4,000 of these young men whom we can bring in readily if there is any failure among those who have enlisted and may not turn out on time. We must keep a large reserve on hand to keep on feeding our schools. I have had complaints from members and parents about this, but there is nothing else to be done, and we are doing the best we can under the circumstances.

The only other point I might refer to is the cost of aerodromes, perhaps not excessive, but expenses have been incurred that we might not have incurred had we not been in such a hurry. I mention all these matters not to preclude any discussion of them because they are things which it is essential the committee should take cognizance of. I mention them merely to show that we are aware of these difficulties, and are endeavouring to solve them. Some, of course, we shall never be able to solve. We are keeping our mind and bending all our energies towards one thing, the turning-out of air crews as well trained and as fast as we can, to go overseas to take part in the fighting there. All the rest, as I said before, is incidental to that main purpose. These other matters are of importance, of course, but the primary and paramount thing is to send our young men overseas to man the aircraft for Britain to carry on the battle, and that is what we are trying to do.

I gave some break-down of the figures the other day, but I understand that a break-

down of the estimates for next year is desired. I stated at the beginning that the expenditure on the home war establishment for 1941-42 would be $154,683,960. Perhaps I might be permitted to mention some of the highlights in order to give some idea of what will be expended. They will not add up to the total but will give the committee an idea of the main items:

Royal Canadian Air Force—Estimates 1941-42

Pay and Allowances	
Home war	$ 12,931,760
Joint air training plan	63,522,081
Overseas	7,091,416
Total	$ 83,545,257
Construction—Repairs	
Home war	$ 26,149,000
Joint air training plan	25,364,883
Total	$ 51,513,883
Aircraft Engines and Spares	
Home war	$ 76,919,000
Joint air training plan	62,372,200
Total	$139,291,200
Clothing—Necessaries	
Home war	$ 887,500
Joint air training plan	4,484,472
Total	$ 5,371,972
Stores—Miscellaneous	
Home war	$ 8,450,190
Joint air training plan	13,289,379
Total	$ 21,739,569
Rations	
Home war	$ 851,800
Joint air training plan	5,178,036
Total	$ 6,029,836
Bombs and Ammunition	
Home war	$ 16,850,229
Joint air training plan	5,055,315
Total	$ 21,905,544
Aero Gas and Oil	
Home war	$ 660,000
Joint air training plan	9,454,500
Total	$ 10,114,500
Overhaul of Aircraft and Engines	
Home war	$ 1,505,000
Joint air training plan	17,500,000
Total	$ 19,005,000

These items do not add up to the total estimate. I have simply given the highlights, the principal items of expenditure.

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Mr. MacNICOL: The minister may have already answered this question in the course of his remarks, but I am not just clear what the situation is. I know a young man who attended the wireless training school in the northwest end of Montreal and graduated therefrom with high credit to himself. He told me his title was wireless operator, ground—W.O.G. From the school he was sent to Jarvis, where there is no wireless work being done. There he apparently takes messages over the radio, and he has been wondering whether that is to be the end of his training, and whether the work he is doing at Jarvis might not result in his losing the benefit of the training he had at the wireless school. I understood the minister to say that these young men who had graduated from the schools are sent to different places merely to keep them in reserve, and that it does not necessarily follow that they will be wireless operators, for example, at the camps to which they are sent. They may be in a squad, forming fours, as the minister said.

Mr. POWER: I should think that a wireless operator, ground, would not be used much overseas and would probably be sent to one of our home stations.

Mr. MacNICOL: That is where he is now.

Mr. POWER: If my hon. friend will write me, I will check up on it.

Mr. ROSS (St. Paul's): Do British pilots, when they are in Canada, receive Canadian pay or are they still under British pay? I refer to the ones who have come here under the air training plan. The reason why I ask is that some of them who are in western Ontario have their wives with them, and I believe they find it a little difficult to carry on. I wondered what scale of pay and allowances they are receiving.

Mr. POWER: I think my hon. friend is confusing two things. There are some who are attached to the air training plan, and they are under our own pay and allowances. Others are out at a special school; they are under a different system altogether, and they are not and may never be under the joint air training plan. They are carried directly on the strength of the Royal Air Force and to all intents and purposes are Royal Air Force personnel.

Mr. ROSS (St. Paul's): Thank you. There is just one other point. In the course of his remarks the minister said he did not intend to get into a controversy with respect to air service control. I do not want to start one, but I believe he suggested that those people who are flying machines and so on should have quite a say in what is going

on. They should no doubt present their information and express their wishes to the engineering branch in his own department, the Royal Canadian Air Force. The minister suggested that his own department may have been responsible for certain delays on account of changes. I realize that and quite appreciate it, but what I have tried to advocate is the establishment of a ministry of air production, also the very thing which he pointed out, that his own engineering branch which are in close cooperation with his operators should be at all times in control of and in touch with that ministry of air production so that we shall not have a repetition of the difficulties and delays which we have had in the past. That is what we have been advocating. I do not want to enter into any controversy, but I wish to make my position clear.

Mr. POWER: The question is not whether they should be in touch—they are in touch—but, should they be controlled by a production ministry? I said I did not wish to get into that controversy. It is something with regard to which I am willing to listen to anybody's advice. Frankly, I do not know, and I am giving the two sides of the story as I understand it.

Mr. ROSS (Souris): I understand that it has been the policy of the department, in order to avoid any international complications, that no air fields be established on the prairies south of the main line of railway. I wonder whether that still prevails.

Mr. POWER: That never was a definite policy of the department. I do not mind saying that there was one place where an aerodrome might have been established had it not been thought at that time that it might involve international complications, since the proposed landing field was extremely close to the border, and the flyers in taking off every day would have been almost obliged to cross the border. That situation arose six or eight months ago. I do not know that the question arises at the moment. As a matter of fact, there is a school at Windsor.

Mr. MARTIN: The best in Canada.

Mr. POWER: Also one has been established at Boundary Bay, which is extremely close to the international border. My hon. friends from British Columbia can tell me the distance; it cannot be more than five or six miles from the border.

Mr. CRUICKSHANK: Two miles.

Mr. POWER: One of the reasons for putting aside certain projected aerodrome sites was, in the early days, that they were too close to the United States border. That happened some time before I took office, but it was not a definite policy.

Mr. ROSS (Souris): I think that reason was given. But the vast area of the prairie provinces south of the main line is without any air field at all. I was wondering whether there was any particular obstacle to developments there in future.

Would the minister give the figures of how many of the members of the Royal Canadian Air Force have been discharged to date and how many have been found medically unfit?

Mr. POWER: I will get that information for my hon. friend.

Mr. CASTLEDEN: I understood it was the policy of the department to contract with civilian flying clubs for elementary flying training. Is that policy still being followed?

Mr. POWER: Yes. That is one of the things I was going to list as a headache.

Mr. CASTLEDEN: Would the minister table one of the contracts?

Mr. POWER: I have tabled a dozen. If my hon. friend will call at my office at any time, he can have a contract. They are all the same.

Mr. DOUGLAS (Weyburn): I am sure hon. members have enjoyed the minister's word picture, which has given us a view of things that it would have been impossible to get otherwise. What exactly is the situation of the men who have graduated under these air training schemes and have become members of the Royal Air Force? Is the Canadian government in any way responsible for any expenditures, pay and allowances, after they leave this country?

Mr. POWER: Is the hon. member going to give me a chance to make another speech?

Mr. HANSON (York-Sunbury): They become members of the Royal Canadian Air Force, do they not?

Mr. POWER: I will have to make a speech to explain this. I will read the agreement covering the training of aircraft crews and pilots in Canada and their subsequent service, which was entered into between Canada, the United Kingdom, Australia and New Zealand. There is one section which, I believe, will make clear to hon. members just what we are driving at.

Mr. HANSON (York-Sunbury): Is this the commonwealth air training plan?

Mr. POWER: Yes. Article 15 is probably the one in point:

The United Kingdom government undertakes that pupils of Canada, Australia and New Zealand shall, after training is completed, be identified with their respective dominions, either by the method of organizing dominion units and formations or in some other way, such methods to be agreed upon with the respective dominion governments concerned. The United Kingdom government will initiate inter-governmental discussion to this end.

Article 16:

The government of the United Kingdom will, subject to the provisions of Article 17, provide the pay, allowances, pensions and other non-effective benefits, maintenance and other expenses of the pilots and aircraft crews who are trained in Canada (other than those made available for service with the Royal Canadian Air Force in accordance with the provisions of Article 14)—

I may say that article 14 permitted Canada to keep for home defence a certain number, a comparatively small number, of pilots.

—with effect from the dates of their embarkation in Canada for service with, or in conjunction with, the Royal Air Force.

That means that the British government is responsible for the pay and allowances of these graduates from the moment they get on the boat to leave Canada.

The government of the United Kingdom also undertakes to arrange for those pupils who are made available for service with, or in conjunction with, the Royal Air Force to be embarked as speedily as possible after the completion of their training, and to defray the cost of their passage to the stations to which they are appointed on leaving Canada.

With respect to Canadians and British rates of pay:

The pay, allowances, pensions and other non-effective benefits, maintenance and other expenses, for which the government of the United Kingdom undertakes liability under the provisions of article 16—

Which I have just read.

—will be as laid down in Royal Air Force regulations.

If it should be decided by the government of Canada, the government of Australia or the government of New Zealand to supplement the amount so issued, any such supplement will be borne by the government concerned.

The Dominion of Canada does pay to each one of these, during all the time he is abroad, the difference in his rate of pay. During the time he is here he gets Canadian rates of pay. From the moment he embarks he gets the British rate of pay, but the government of Canada undertakes to make up the difference between the British and the Canadian rate.

Mr. DOUGLAS (Weyburn): That is what the $15,000,000 is for?

Mr. POWER: Yes, and for three squadrons that are overseas.

Mr. ROWE: What about pensions?

Mr. POWER: We pay pensions also.

Mr. ROWE: We pay the full pension?

Mr. POWER: It would certainly run between one-quarter and one-fifth more, and I am told that we are converting the pound at a stated amount. They draw their pay in pounds and we convert it at a stated amount.

Mr. ROWE: You pay the difference in pensions?

Mr. POWER: Yes; we pay the difference. The government of the United Kingdom undertakes to pay non-effective benefits.

Mr. ROWE: In other words, they are actually British pilots?

Mr. POWER: Yes. That is the status of these pilots. In the air training plan we have expended so much money—65 per cent of the plan—and then the pilots go over and are at the disposal of the Royal Air Force; but, as I read a moment ago, it was decided at the time of the agreement that some means should be found of identifying Canadian pilots either by unit or by formation or in some other way. It did not stand to reason that thousands of our young men should go there and have no connection with Canada, being spread all over Libya, Greece, Ethiopia and everywhere else. Therefore one of the errands of which the Minister of National Defence spoke was the endeavour to bring into practical application clause 16, which says that they should be identified. As a result of this, arrangements have been made whereby twenty-five squadrons will be set up as Royal Canadian Air Force squadrons. Mind you, they will be paid at British rates of pay. They will be maintained as British, because they do belong to the British, but they will be called Canadian squadrons because they will be all Canadian pupils. As to the dates at which they were formed, I had better not mention that.

The consultations took place during the summer. When the Minister of National Defence went overseas he was asked by the government to undertake this task of settling the question of identification, and the agreement was signed by him, with the Right Hon. Sir Archibald Sinclair, Minister of Air. It provides that there shall be twenty-five squadrons called Canadian squadrons, from graduates of the joint air training plan, to be formed at different dates which I will not specify, and that all the Canadian pilots and

air crews from the air training plan—not in the Royal Canadian Air Force units or formations, because there would be many more than twenty-five squadrons, which represent only about one-fifth of the output within the next few months, but all those who were not in these squadrons—would continue to wear the Canadian air force uniforms and Canada badges. This arrangement is to be revised in September, 1941. It goes on to say:

6. Under the air training plan and at the request of the United Kingdom government, the Royal Canadian Air Force has concentrated on the production of pilots and air crews. This has necessitated the provision and employment in Canada of ground personnel who would otherwise have been available for service with Royal Canadian Air Force squadrons overseas. It is recognized, however, as desirable, so far as it may mutually be considered practicable, that the United Kingdom ground personnel who, for the reason stated above, will be required for the squadrons referred to in paragraph 2 should gradually be exchanged for Royal Canadian Air Force ground personnel employed on the air training plan, with a view to achieving homogeneity of personnel in these squadrons.

The ground crew of these squadrons will be United Kingdom for the moment, because we are using all the ground crew we can possibly find for the training plan in Canada. The suggestion is that there should be exchanges. Possibly it will be that when we have trained enough, we shall be able to send some of our young men overseas to serve as ground crew.

Mr. DOUGLAS (Weyburn): Strictly speaking, the operations of the Royal Canadian Air Force as such are confined to Canada?

Mr. POWER: No. We have three Royal Canadian Air Force squadrons of our own overseas, and have had for several months. They are equipped, maintained and manned, as to both ground and air, by Canada.

Mr. DOUGLAS (Weyburn): And paid by Canada?

Mr. POWER: Yes. I may add that we are now on a kind of flat rate. At first we made an arrangement to pay for replacement every time an aircraft was destroyed, but it complicated bookkeeping to a considerable extent, and we had to put a large amount of money in the estimates last year on the assumption that there would be a one hundred per cent renewal every month. We have now an arrangement with the British government whereby they will supply aircraft for any destroyed, and will feed our men, on a flat rate. We pay something like three million dollars a year for a squadron, and they take chances whether the squadron will be continuously occupied or not. We pay the same flat rate no matter how many or how few aircraft are destroyed. It is called a capitation rate. The same applies to feeding.

Mr. DOUGLAS (Weyburn): These three squadrons will operate on a different basis to the twenty-five?

Mr. POWER: Yes; they are entirely Canadian, just as Canadian as the army is over there, whereas the other squadrons are composed of Canadians who graduated from the plan but are on initial rate of pay from the British, having been formed for purposes of identification.

Mr. DOUGLAS (Weyburn): Are these army cooperation squadrons?

Mr. POWER: Some will be army cooperation; some, bombers and some, fighters. The rest of the agreement deals with the fact that at the beginning there may be a shortage of senior Canadian officers to fill the posts of squadron commanders, because they will be graduates from the plan and will not have the experience. At the inception the United Kingdom personnel will be in command of these young men, but as we go on, Canadians will replace them so that the squadrons will become entirely Canadian. Then there is provision for consultation as between the air officer commanding Canadian overseas headquarters and senior officers in the air force, and also the British, with regard to the employment of these squadrons—when they are to be used in any major operation.

Mr. DOUGLAS (Weyburn): I wish to ask the minister a question and he can use his discretion about answering it. A report has been given to the house about accidents, and most hon. members regret the large number of accidents that have taken place recently. As a result of the investigations into these accidents, has the minister found that accidents are more prevalent with any one type of plane? I will tell the minister why I ask. I have had a number of flying men tell me about the Grumman plane, not the British but the Canadian assembled plane.

Mr. POWER: I do not think any have flown in them, certainly not in the air training plan. The only ones who would fly in that plane would be skilled pilots who had graduated. It is not a training plane; the big one is a good transport plane, and there is a fighter plane but it is not being used by any pupils.

Mr. DOUGLAS (Weyburn): It was the fighter plane to which I had reference. They were trained pilots who were using it, and I heard some complaint that the Canadian assembled plane was not a particularly safe

one; there was that feeling. Therefore I wanted to ask the minister whether these accidents had been more prevalent with any one type of plane.

Mr. POWER: No. The other day I was referring only to accidents in training. There have been very few accidents in the home war establishment, the defence forces, although there have been some. I do not remember having had statistics made out for this, but they are not more prevalent with any one type than another, certainly not in the air training plan.

Mr. STIRLING: Early in his statement the minister referred to 90 per cent of those in the air training plan being Canadians.

Mr. POWER: The pupils, yes.

Mr. STIRLING: Does that mean that 10 per cent came from Britain, Australia and New Zealand?

Mr. POWER: About that, yes.

Mr. STIRLING: Can the minister divide that 10 per cent up?

Mr. POWER: No, I have not that figure. It is roughly 10 per cent; it may be 11 per cent that came from Australia, New Zealand and the United Kingdom quota, which takes in Newfoundland.

Mr. STIRLING: Over and above that, Australia provides herself with a great many more men in the various descriptions by other training facilities.

Mr. POWER: I am not sure how many they send over direct.

Mr. STIRLING: They must have an air training plan quite apart from this.

Mr. POWER: Most of their elementary training men come through the training schools here. They have an air force of their own and presumably many of their men go direct. I do not, however, think they have a large air training scheme of their own.

Mr. NICHOLSON: Have we any appropriation to cover the construction of the proposed Alaska project?

Mr. POWER: Yes, in the home war appropriation.

Mr. NICHOLSON: Can the minister give us any information in that connection?

Mr. POWER: Simply that we are spending about eight or nine million dollars on station facilities in the interior of British Columbia to Alaska. I should not like to give the break-down any further than that. But I should be glad to give my hon. friend the information personally if he will come to my office. It is a defence project.

Mr. STIRLING: Is this just for the purpose of providing air fields in that area?

Mr. POWER: Staging facilities.

Mr. SHAW: I understand that after the last war an officers' reserve list was set up. It was necessary for an officer to keep himself in good standing from year to year. I know several of these men, approximately forty-five years of age, who have kept in good standing, passed medical tests A-1, but apparently they cannot get beyond that point. Some of them have taken several of these medicals in the course of a year. I have been asked by some of them to find out what the advantages are of having kept in good standing on the reserve list and to secure information regarding the method of absorbing these men into active service at this time.

Mr. POWER: If my hon. friend is speaking of the air force, obviously a man of forty-five would not be any use to us as a flyer, no matter how good his state of health; we are not taking them in at forty-five now. But we have been taking in, I might say, hundreds of men who served in the last war and have a good record as administrative ground officers. We have been taking them in up to fifty years of age as ground officers.

Mr. SHAW: I understand these men have applied for appointments as Link trainers or ferry pilots. I was not referring to active service in the air.

Mr. POWER: We are taking them in every day. Of course there is a background of about two thousand men who are extremely eager to serve their country at about $2,500 to $3,000 a year in a nice soft job at home wearing a uniform.

Mr. MacNICOL: With a brass hat.

Mr. POWER: With a brass hat, and they are extremely indignant—I am not referring to the gentleman my friend speaks of—when they are told "Well, you have not been selected yet." There is a selection board that selects from among the applicants those who, we think, would make administrative officers or accountants or engineer officers, and when they are not selected they write to me or to their member wondering why we refuse to let them serve their country. We cannot take them all in, we must make a selection amongst those many thousands. As far as I know, we are selecting former air officers for administrative positions whenever any of them are qualified. I have insisted right along that former air officers particularly get the preference for administrative positions when they are otherwise qualified.

Mr. McNEVIN: Are there any in that category over fifty years of age?

Mr. POWER: There may be some exceptions but the limit is fifty. There may be an odd exception, I do not remember any; a person over fifty is barred.

Mr. GRAYDON: I do not recall the minister giving any particulars of the number in the air force outside the training plan.

Mr. POWER: That is another thing I am not supposed to give, but I think we should give it. I do not agree with all my officers about the hush-hush policy. I do not see any reason why we should not tell the country how many people are in the air force.

I have here the last weekly report: officers, 3,490; airmen, 42,732.

Mr. GRAYDON: That does not include the empire air training scheme.

Mr. POWER: Yes; that is everyone serving now in Canada. That includes students and all kinds in the scheme.

Mr. ROSS (Moose Jaw): That does not include the Royal Air Force men?

Mr. POWER: No, except those who are attached to us or loaned to us specially. That in terms of the last war is about three divisions; when we talk of raising so many divisions of infantry, let it be remembered that there are three divisions of airmen in this country at the present time.

Mr. SLAGHT: About what proportion in the commonwealth air training scheme are Canadians?

Mr. POWER: Ninety per cent of the pupils are Canadians, the remaining 10 per cent come from Great Britain, Australia and New Zealand. I should like to add that between 7 and 10 per cent of the recruits that come in as Canadians are United States citizens, and I would also say that we are fortunate in being alongside the United States and getting our instructor personnel from there. Some four to five hundred United States trained flyers have been enlisted or commissioned in the air force as instructors. Without them we would have had an extremely difficult time to get as far as we have.

Mr. MacNICOL: We have the best neighbours in the world.

An hon. MEMBER: What is the percentage of Americans in the air force?

[Mr. Power.]

Mr. POWER: I would say at the moment between 7 per cent and 10 per cent of the air crews; that is, those pupils who will be graduated. I have not worked out the percentage with regard to instructors, but between 400 and 500 of the instructors are largely used in ferrying duties, to ferry the students at the bombing and gunnery schools, and to bring them out to the places where they practice bombing, or to observer schools or elementary schools. To a large extent these are Americans who have come to and are serving in Canada.

Mr. MacNICOL: If questions concerning the air programme are exhausted, I should like to ask the Minister of Munitions and Supply a question. If, however, other hon. members wish to ask questions of the Minister of National Defence for Air, I shall delay my question.

Mr. EDWARDS: Is the Department of National Defence for Air, as such, responsible for the selection geographically of the various air training fields, or is that the responsibility of some other department?

Mr. POWER: Shortly after my appointment I explained the system of selection. The Department of Transport makes a general survey of prospective aerodromes across Canada. It then makes a report to what is known as the aerodrome development committee, which is composed of officers of the Department of Transport and of the Department of National Defence for Air. They then decide what aerodrome is to be developed, and where aerodromes are to be located. The report then comes to the minister, and the minister says "yes" to whatever they tell him, because he is not going to get mixed up in aerodrome development or the selection of aerodromes, because he has something else to do.

Mr. EDWARDS: What is the policy of the government with respect to the location of aerodromes and air training fields? What are the guiding principles? I can understand that naval training would be carried on at the seaboard, and that other branches of the service would be carried out where natural facilities are available. I should like now to know the guiding principle which prompts the government to locate air fields for example at Ottawa, Montreal, Northern Ontario, Quebec and the maritime provinces. Is it the principle of proximity to population, or what are the determining factors?

Mr. POWER: On the first or second day after I came to the department I made a statement to the house, received from one of

the officers in the department, in which I indicated the guiding principles. The first principle is to get a place suitable for development as an aerodrome. Then, at the time these selections are made there was an attempt to foster recruiting, and in order to help recruiting, the aerodromes were spread at suitable locations across Canada. As has already been explained, there was at that time a tendency not to place aerodromes too close to the United States border. There was some thought that on account of climatic conditions, including heavy snowfalls and the like, some sections of the country would not be as suitable as others for the development of aerodromes. All these principles, however, were laid down.

I have sent for a copy of *Hansard*, and I should be pleased to read again what I read last year. Generally speaking, however, the principle followed when placing an aerodrome at any point is that such point has been found to be a suitable location.

Mr. NICHOLSON: How does the department decide that it is a suitable location?

Mr. POWER: It is the decision of the Department of Transport in conjunction with officers of my department.

Mr. PERLEY: All hon. members have listened with keen interest to what I would term a straightforward statement made by the Minister of National Defence for Air this evening. Had we heard similar statements earlier from other ministers, we would have been through long ago.

Mr. HOWE: That is quite a comment.

Mr. PERLEY: I have not held up the committee very much. I would ask the minister who has interjected that I should have liked to ask him many questions, but possibly I was rather intimidated by the replies he gave to some other hon. members. I am now asking the question of the Minister of National Defence for Air as to whether or not he can give us information respecting the number of aerodromes and training centres in Saskatchewan. Are there one or two there operated solely by the Royal Air Force?

Mr. POWER: Yes.

Mr. PERLEY: Could the minister give us some information on that point? Are there others operated jointly, and what is the expenditure by this government and by the British government in that connection?

Mr. POWER: Would my hon. friend be satisfied if I answered him respecting the aerodromes in Saskatchewan operated by the Royal Canadian Air Force, and let him find out the answer to his question?

Mr. PERLEY: I should like to have the ones operated by the Royal Air Force, alone.

Mr. POWER: I would rather tell him those operated by the Royal Canadian Air Force. My answer would give the same result, and my conscience would be clear in that I had not mentioned the location of Royal Air Force schools in Canada.

Mr. RALSTON: That is spoiling the minister's record.

Mr. POWER: My colleague suggests that I should have kept up my record for being straightforward. In Saskatchewan there is an elementary school and also an air observer school at Prince Albert. There is an elementary school and an air observer school at Regina. Then there are Canadian schools at Mossbank, Dafoe, Saskatoon, and Yorkton Those would appear to be all the Canadian flying schools in Saskatchewan. Then, as my hon. friend knows, there is a munitions training school at Regina, and several other ground schools. I believe, however, he was referring only to flying schools.

Mr. PERLEY: And the Royal Air Force are not operating any?

Mr. POWER: Not operating any.

Mr. PERLEY: In Saskatchewan.

Mr. ROSS (Souris): Following the question put by the hon. member for Calgary West, did I understand the minister to say that he was going to enlarge upon the requirements essential for the development of the fields?

Mr. POWER: No. I should say to the committee that at the present time all requirements, so far as aerodromes for the empire training plan are concerned, are complete. All aerodromes have been selected. What will happen in the future, and whether this plan will be extended, is another question. At the present time, however, there is no use in bringing in any delegations, because I will tell them that we have all the aerodromes we want. Committee members will please take notice; tell them to stay home, because they will only waste their time.

Mr. ROSS (Souris): I was not suggesting that. at all.

Mr. POWER: I was not referring to my hon. friend; I was speaking for his colleagues.

Mr. ROSS (Souris): Do I understand that during the coming year there will be no further development of air fields in western Canada, even on our own programme?

Mr. POWER: All sites have been selected for the air training plan. There are a certain

number of elementary schools, a certain number of surface training centres, and a certain number of bombing and gunnery schools not yet developed or constituted. Each one of the sites of these schools has now been selected for the air training plan. If it so happens that the plan needs to be expanded or further developed or some other circumstance arises, other aerodromes and other sites may be selected. Meanwhile, against the time when that kind of thing may happen, the Department of Transport is surveying every possible site in Canada. They have a list of them; should we ever require any more, we will go to the Department of Transport and they will tell us where to locate them.

Mr. ROSS (Souris): The minister would not care to enlarge upon the requirements or the essentials which are taken into consideration in the selection of these various fields?

Mr. POWER: There is the question of water and the question of proximity to communications, railroads and that kind of thing. The question of water is perhaps the most serious we have had to face. It seems extraordinary that in a country like Canada with its lakes and rivers we cannot get sufficient water. We have had people looking for water everywhere. There is hardly a school which has been opened where there has not been trouble in getting water to it. I never for one moment imagined that this country was so dry as it has turned out to be.

Mr. ROSS (St. Paul's): I should like to ask a question of the minister in his dual capacity as acting Minister of Pensions and National Health and Minister of National Defence for Air. No doubt there is a considerable civilian personnel in these flying schools. Perhaps the minister could tell us what percentage there is. I thought it might be possible to absorb many of these men who have been discharged from the army into the personnel, not only of the flying schools but of some of the thirty-day training camps. This might be one way to take up the slack for these fellows who have been discharged.

Mr. POWER: There would be no objection at all provided they are qualified. I understand the rule in the Department of National Defence is that no one is sent back from overseas unless he is in category E, and a man in that category is not fit for anything like hard work. Those who were placed in category C were kept on as line communication troops as long as they could do anything. I would have no objection to taking on ex-soldiers; as a matter of fact, they have preference in our department for positions round the camps.

[Mr. Power.]

Mr. ROSS (St. Paul's): If a man is in category E, is he entitled to a pension?

Mr. POWER: Not always; he might be in category E because of disabilities not due to service.

Mr. ROSS (St. Paul's): If they were due to service?

Mr. POWER: He should get a pension. Probably he would be hospitalized in Canada for some little time.

Mr. NICHOLSON: The minister has not yet answered the question which led up to this interesting discussion. A year ago the minister made it quite clear that representations by boards of trade and such organizations would not influence the department in choosing sites. I notice from the press that delegations are still coming to Ottawa to try to persuade the government to decide on such and such a site. I should like the minister to make it clear whether such representations are of any use, or whether, if certain constituencies had elected as members of parliament those of other political stripes, they would have been more successful in getting air training centres.

Mr. POWER: I made a trip west last summer, and it was made quite miserable by delegations that waited on me every time the train stopped. I told them that there was no use bothering me; that if they wanted to make representations, they should make them to the Department of Transport or to the officers of my department. I told them that if they wanted to fill reams of paper or make books of plans and so on, it would do no good to present them to me; they should be sent to the officers of the department who would make the decision.

Mr. HANSON (York-Sunbury): But they did not believe you.

Mr. POWER: No. I had a delegation here last week, and I simply told them that they had wasted their time and money, that they might as well go home. They wanted to know if I could tell them if they had a chance of further development, and I told them, "I do not know and I do not care." I am sorry to say that the delegations do not like me any more, but that is the only way to handle them.

Mr. ROSS (St. Paul's): There is an observers' school at Malton, but on wet days the young fellows there can do nothing but lie in their bunks. They have no recreation hall, and I do not suppose it would cost much to erect one.

Mr. POWER: I am not sure whether a recreation hall goes with an air observers' school.

Mr. GRAYDON: May I intervene to say that we have a fine recreation hall in the village of Malton. A community spirit has developed, and they are taking care of most of the young men in both the elementary training school and the observers' school. We will be ready to welcome the hon. member for St. Paul's in the recreation rooms at any time.

Mr. POWER: Then I do not need to build one?

Mr. GRAYDON: No, not at the moment.

Mr. HANSON (York-Sunbury): What is the position with respect to the Gander airport?

Mr. POWER: The aerodrome there was one of the finest and best developed in the British empire, but certain accommodation was needed for aircraft and crew. Something in the vicinity of $1,400,000 has been expended. Does my hon. friend want to know how the work is progressing?

Mr. HANSON (York-Sunbury): Yes.

Mr. POWER: The work progressed rather slowly at first on account of illness and difficulty in getting materials.

Mr. HANSON (York-Sunbury): What about the labour situation?

Mr. POWER: Newfoundland labour is perhaps not as accustomed to working steadily over long periods of time as is labour in this part of the country. They do like to get away for Christmas. Then measles broke out, and there were 101 difficulties in the way of making rapid progress. I saw the contractor this week, and he reports that since about the middle of January things have been progressing much more rapidly. As a matter of fact, the original contract has been about completed. There have been some complaints which, as my hon. friend knows, were well founded.

Mr. HANSON (York-Sunbury): Has there been any relaxation on the part of the Newfoundland government with respect to letting in skilled and ordinary labour?

Mr. POWER: The contractor told me that he did not anticipate much trouble in that regard. He has seen the United States authorities who are expending large sums of money in Newfoundland; he was also in communication with Mr. Wood, commissioner of works, who is also in charge of the department of labour in Newfoundland, and he tells me that arrangements with regard to labour have been worked out to his satisfaction. He believes that no further difficulties will ensue. It may be necessary for him to bring key men from Canada.

Mr. HANSON (York-Sunbury): How much more development is proposed at that point?

Mr. POWER: I should not like to say offhand. It is rather complicated.

Mr. PERLEY: Can the minister give us some information with respect to conditions at Mossbank, Saskatchewan, where the water supply has been bad and there has been a great deal of difficulty? There was a rumour there that conditions were so bad that the department was considering closing up the school.

Mr. POWER: We do not close any schools. For better or worse we go through with them; but, as my hon. friend knows, there was some little difficulty with a crew of about sixteen men who went to Dafoe and ran into a snowstorm. The buildings which we had for their accommodation had not been heated at that time, but I understand that difficulty was ironed out. That was at Dafoe, not Mossbank. I have no information here about Mossbank. .

Mr. PERLEY: Has the water supply been taken care of? I understand that it comes in under contract by truck at the present time.

Mr. POWER: I shall be glad to look into that.

Mr. ROSS (St. Paul's): I did not want to poach on the preserves of the hon. member for Peel when I said that I had been at Malton, but there were two or three of my constituents in Malton whom I wanted to meet, and I found conditions as I have stated. The boys only had their bunks to go to on wet days, and so on. I know that my hon. friend has been instrumental in having a wonderful hall put up at Malton, and we are very proud of it, but it is two and a half miles for the men to walk to from the preliminary school. I thought I would just bring the matter to the attention of the minister because I knew he would take care of it.

Mr. DIEFENBAKER: Are all air observer schools in Canada operated by private companies?

Mr. POWER: Yes.

Mr. DIEFENBAKER: Is there a standard form of agreement covering the operation of the schools?

Mr. POWER: Yes; I have produced it in the house two or three times and I shall be glad to do so again. Both elementary and observer schools are civilian schools. May I say with respect to civilian schools generally that there has been a good deal of criticism as to the profits being made, and I had intended referring this whole question of civilian school contracts to the war expenditures committee. I wanted to do so before it became a matter of political controversy, before hon. gentlemen opposite would have to attack the system and before I would have to defend it. Up to the present it has not been a matter of controversy. The whole thing is a matter of judgment.

So far as the elementary schools are concerned, they are all sponsored by flying clubs, and I do not think there will ever be the slightest difficulty about them because most of them are turning their profits back to the government in one way or another. I think that could be readily shown, and I would have been more than pleased to have these men come before the committee and explain their case.

There are, however, some instances in which perhaps rather large profits may be made, and in view of the fact that it would take too long to get the matter before the committee I am now going into that to see what can be done by voluntary action on the part of the clubs themselves.

With regard to the air observer schools, the same condition obtains, I think, and I am having that looked into. I can assure the committee that if there are any profits that look a little bit high, they will be cut down by agreement between the government and the operators.

Mr. HANSON (York-Sunbury): I did not know that the same principle applied to the observer schools as applies to the elementary schools. We not only guarantee against any loss but guarantee a profit of 5 per cent, which is pretty profitable to-day having regard to profits available in other lines. What was the inception of the system? How did that arise? Was it at the instance of the government or of the flying schools themselves?

Mr. POWER: They have civilian schools in England, and the general outlines of the plan came from England. So far as Canada was concerned, we have here a large number of flying clubs, all of which wanted to do their bit. The gentlemen in charge were reputable. These flying clubs were spread all across the country and they all wanted to do their bit. These gentlemen came here; we had a meeting of the flying clubs, and they drew up a tentative agreement. At that time Major Seymour, a barrister of St. Catharines, represented the flying clubs, and Mr. K. S. Maclachlan, then deputy minister for air, and Mr. Henry Borden, represented the government in drawing up this agreement. None of them had any very great experience in how the thing would work out, so it may be a loosely drawn agreement in certain respects.

The reason why I think the arrangement was a good one is that it enabled us to get experienced management we would not have been able to obtain otherwise. We got the experienced management of these different schools, something we did not have in the air force. We did not have a sufficient number of men accustomed to run such schools, so it was necessary to bring in civilians with some experience and of some business acumen to run these schools. Whether, after another six months or a year, we shall require to continue operating them as civilian schools, I could not be sure, but it was a godsend to us that we had in Canada at that time a number of people, commercial companies, bush pilots, bush operators, and flying clubs, who knew how to put planes in the air, maintain them in the air and keep them operating. That is something we have to be grateful for. I do not think there is the slightest doubt that the contract can be modified and amended in such a way that the profits will be even less than reasonable because these people have met us so far at every turn.

Mr. HANSON (York-Sunbury): I have had a good many representations made to me about this matter, but I have never raised the question. One thing that was represented to me was that all these flying schools were not being treated alike, and that some were really eliminated. Is there anything in that charge?

Mr. POWER: I think I can say that every flying club in Canada that was operating—I am speaking of flying clubs now; these are the amateurs, not the commercial corporations—has had an elementary flying school. I do not know of one that has not, and I have not heard of any complaints from them. In some instances, in fact, we have been obliged to amalgamate them; that is, to get clubs at a long distance to come in to other places where the schools were being operated. Chatham, for example, is being operated by the Moncton flying club.

With regard to the commercial companies, I am not sure that every commercial company has had an opportunity—

Mr. HANSON (York-Sunbury): I think that is the trouble.

Mr. POWER: One difficulty there is that a great many of these commercial companies

are affiliated in one way or another, either by stock control or by directorates, with a fairly large corporation, and while one company carrying on under a certain name may perhaps claim that it has not had an opportunity, the parent company, with which it is affiliated may have probably had an opportunity in two or three different places.

Mr. NICHOLSON: How many new private schools have been started?

Mr. POWER: I do not know just what my hon. friend means by "new." We have seventeen elementary flying schools, all operated by civilians, and six air observer schools, all operated by civilians.

Mr. NICHOLSON: How many of these were in operation at the time the scheme was introduced?

Mr. POWER: This is all part of the scheme. The flying clubs were being operated as flying clubs. They had nothing to do with the empire training plan. They were simply organizations of people interested in flying in their locality, and they called themselves flying clubs. I am under the impression that the Department of National Defence gave them a subsidy at one time. I am not sure whether that was cut out afterwards. In any event, they have started to operate schools only since last April.

Mr. DIEFENBAKER: Does the minister exercise any control over the salaries paid in these several schools, in order to ensure uniformity throughout the dominion?

Mr. POWER: No. The salaries paid in the schools are a matter for the provincial departments of labour, which really decide what are the prevailing rates and what are the salaries paid in the civilian schools. I understand my hon. friend is referring to civilian schools?

Mr. DIEFENBAKER: I refer particularly to those holding executive, managerial, secretarial, positions and the like.

Mr. POWER: We give a flat rate. The contract calls for a flat payment of $1,400 a month covering manager—I am not quite sure of that—telephone operators, stenographers and all the rest of the staff. We give them that flat rate and they are supposed to pay their people out of it. I believe some of them make a little profit. I would have to check that. Of course we take 75 per cent of the profit away.

Mr. HANSON (York-Sunbury): Well, 30 per cent anyway.

Mr. POWER: No; we take 75 per cent under our contract, apart from what they pay in income tax; except for one thing, which is a fixed fee, and that is something I am trying to get after; there is a fixed fee of so much per flying hour. Perhaps the flying hours are a little greater than was anticipated at the time they began, and they can make a reasonable profit. There is no revision of that, nor taking away of 75 per cent, but some companies have agreed to take 30 cents and some, 25 cents per flying hour as a fixed fee. Some are not taking anything.

An hon. MEMBER: Are they not guaranteed 5 per cent on their investment?

Mr. POWER: I am not quite sure. I think they are guaranteed. I have not looked at the contract for some time.

Mr. DIEFENBAKER: Are the instructors in those elementary training schools and the like, subject to overseas service?

Mr. POWER: Originally the instructors were engaged by these schools, and they employed whom they wanted to. They went out and hired bush pilots, or Americans, and paid them whatever they thought was the right salary. As time went on, they had more difficulty in finding them, so they came to us; what we did was that we trained them and turned them out as sergeants on leave without pay, and the flying schools pay them their salaries. Under these circumstances, of course, we can call them back at any time, because they belong to the Royal Canadian Air Force, and we can send them overseas if necessary.

Mr. ROSS (St. Paul's): And there is military supervision of these flying schools?

Mr. POWER: There is a supervisor, a Royal Air Force officer, who supervises the curriculum of flying and generally acts, so to speak, as the school principal. The civilian manager looks after the maintenance of the aircraft, the messing and so forth.

Mr. NICHOLSON: I understand that there is a training school at Goderich, Ontario, and that last summer they were selling stock up in the county prior to the starting of the school. Would the minister explain the set-up?

Mr. POWER: An elementary school was originally required to raise $35,000 in order to show its good faith. In most instances that amount was pretty rapidly raised, especially for the larger cities. Around Goderich and Huron counties, what I believe is called the Huron-Goderich club went out and sold stock, I understand in amounts of $100 or $200, to the farmers. I do not think it was sold to them as a money-making proposition; I believe they are not going to make money, because there will not be very much profit out of it. They wanted to get as many people as possible

interested in the enterprise. In most other cities half a dozen people subscribed five or ten thousand dollars and let it go at that. But interest has been much more widely distributed in connection with the Goderich school than any other school I know of.

Mr. NICHOLSON: What control will the people of the county have?

Mr. POWER: I do not know in whose hands the control of the stock lies; I do not know where the majority of the stock is. If the majority are farmers from Huron county, I suppose they could get together and oust the manager and carry on if they so desire; but if it is a matter of getting more profits, they will have to come to us, and I will not give them any.

Mr. ROSS (St. Paul's): The government provide the buildings and the plant?

Mr. POWER: The buildings, aircraft and everything else.

Mr. ROSS (St. Paul's): All the plant?

Mr. POWER: Yes.

Mr. HANSON (York-Sunbury): If the committee is through with the discussion on aeroplanes, I should like to ask the Minister of National Defence for Naval Services if he will make a statement to the committee, and I would like him to explain the basis upon which a large number of United States privately-owned yachts were bought in the early stages of the war and brought into Canada, the purposes for which they were bought, and what use is being made of them.

Mr. MACDONALD (Kingston City): This matter of the yachts is rather an unusual arrangement which happened before I came to Ottawa. I am familiar with it, but I do not know whether even now, after a year, it would be wise to announce publicly the form in which that transaction was made. I would be glad to tell my hon. friend.

Mr. HANSON (York-Sunbury): I will forgive the hon. gentleman if he will not tell the form, because I know it. I should, however, like to know how many we bought, how many are in use now, and for what purpose?

Mr. MACDONALD (Kingston City): I forget whether it is fifteen or sixteen. They are all in use.

Mr. HANSON (York-Sunbury): For what purpose?

Mr. MACDONALD (Kingston City): Well, for war purposes.

Mr. HANSON (York-Sunbury): All right—if that is all the minister wants to tell.

[Mr. Power.]

Mr. MACDONALD (Kingston City): They are in use in different parts of the world. I do not know if I should say exactly where they are. All the yachts have been armed. They are patrolling the various waters in which they have been placed, and are carrying on the regular duties of ships of that class. I do not know that I can say much more than that.

Mr. HANSON (York-Sunbury): Of course that is quite illuminating! Have any been used for living quarters or office quarters for members of the naval staff?

Mr. MACDONALD (Kingston City): No, none of those.

Mr. HANSON (York-Sunbury): Some ships which have been requisitioned have been so used, have they not?

Mr. MACDONALD (Kingston City): Not for the Canadian staff. There is one ship in Halifax used by a flag officer commanding there, the British representative and his staff. That is the only yacht I know of which is used for living accommodations of any naval officer.

Mr. HANSON (York-Sunbury): We did not get very far on that.

Mr. DOUGLAS (Weyburn): I should like to ask the Minister of National Defence if his department has authorized deductions from the pay of men in the reserve army to set up regimental funds. I have heard a number of instances of it. I have never actually known of a case, except one which came to me the other day, of a certain regiment in the west, in which it was announced that authorization had been given by which each man was to have deducted from his pay—I believe it was $9; I can check the memo on it—to go towards the regimental fund. I was wondering whether the minister knew anything of that, and whether it was authorized.

Mr. RALSTON: I have not heard of it, and have no idea of anything of that kind being done. If my hon. friend would give me the name of the unit, either privately or at the present time, I shall be happy to look into the matter.

Mr. DOUGLAS (Weyburn): I shall be very glad to give it to the minister. I can quite understand why it is done. I am not speaking in a spirit of criticism, because I think I know something of the problem the men are up against in the reserve units, but there is a feeling among many of the men that there is a difficult problem. I know the minister is familiar with it because he has had a good

deal of experience along that line. No allowance is made for buying things like multigraph machines and other equipment they must have if they are to operate a unit properly. The result is that they are usually forced to do one of two things. Either they have to use money from the canteen fund, or they make a whip-around among the officers and non-commissioned officers. In this particular case, I am informed, they actually deducted so much from each man's pay. If they did, I am not complaining about the act as about the necessity for such a thing. Some allowance should be made for reserve army units whereby they will have funds to buy the type of thing they need in order to keep the regiment working smoothly.

Mr. RALSTON: My hon. friend has mentioned multigraph machines. That is not quite in keeping with an officers mess. The things about an officers mess that I think of are dishes, cutlery, furniture and such necessities. Is he advocating the other as well?

Mr. DOUGLAS (Weyburn): No.

Mr. RALSTON: My colleague has mentioned a headache. He does not know about headaches until he has to deal with allowances for such matters. My hon. friend is referring to provision for equipment for company offices and battalion headquarters?

Mr. DOUGLAS (Weyburn): Yes. I am not thinking of officers messes. That is something they can take care of; but it is too much to ask these men, the rank and file, to contribute to office equipment which is not provided for by the department.

Mr. RALSTON: My hon. friend suggested that a deduction was made not only from officers but from the rank and file.

Mr. DOUGLAS (Weyburn): Exactly; and as a matter of fact, indirectly, in practically all units it is taken from the rank and file, because it is taken from the canteen fund and that comes from the men who buy cigarettes and chocolate bars from the canteen. Therefore, indirectly all ranks contribute to buy the things that should be a responsibility of the department.

Mr. HANSON (York-Sunbury): The Minister of National Defence for Naval Services is reticent on the question of these yachts. I am not suggesting that there is anything to hide. He might have given a little more information than he did. He is not going to get into trouble over this matter. The position is entirely changed since that transaction took place about a year ago.

Mr. RALSTON: Since Saturday night.

Mr. HANSON (York-Sunbury): Yes, or last Wednesday, I assume, would be the better date upon which to base the change. If he is not willing to give more information, I shall not press him, because doubtless he has what seems to him to be good and sufficient reasons for not conveying any information. I think it might have been better if, at the time this transaction was put through, a little more information had been given the public by the government, because many unjust statements were made by people who did not understand the position and who thought some people were getting something for nothing. I understood it from the beginning. I never raised the question in this house before to-night. I thought that now we might be told the story, but if that is not possible, I shall not press it.

Mr. HOWE: I handled the transactions and perhaps I can give my hon. friend certain assurances. They were purchased through the Department of Munitions and Supply or its predecessor board. We carried out the transaction in accordance with the laws of the United States government, and to do that we had to get several individuals each to buy a yacht. Those individuals were carefully chosen as men who knew yachts, men outstanding in the community, who were willing to volunteer to give time without profit.

Mr. HANSON (York-Sunbury): I am not questioning all that. I want to know how much was spent.

Mr. HOWE: It was not large, altogether not more than a million and a half.

Mr. HANSON (York-Sunbury): For how many ships?

Mr. HOWE: Fifteen.

Mr. MACDONALD (Kingston City): Fourteen.

Mr. HANSON (York-Sunbury): And they are all in commission?

Mr. HOWE: Yes, and at the time, of course, they were needed. Patrol vessels were badly needed, and these could be got and armed quickly.

Mr. HANSON (York-Sunbury): They were in commission for the most part?

Mr. HOWE: Yes. They were valuable.

Mr. HANSON (York-Sunbury): I never criticized it.

Mr. HOWE: I want to make it clear that these men arranged their own financing privately. At the end of the transaction the men received their absolute out-of-pocket expenses. No one made five cents profit on

the boats. As a matter of fact, the men went to a great deal of trouble to perform the service, and I was able to call them together and thank them for a really patriotic service.

Mr. HANSON (York-Sunbury): I am delighted to hear the minister's statement, because I will tell him that in eastern Canada there was a great deal of misapprehension about that transaction, and a very unjust inference was drawn, perhaps from the secrecy with which the thing was carried on. I understand thoroughly the reason why it was done in that way; it was because of the laws of a certain foreign country. It had to be carefully examined and carried out. But I had numerous letters last session with regard to this matter, that so-and-so, and so-and-so had got a private yacht and unloaded it on the government. I never for a moment believed that there was anything of the sort, knowing some of the men at least who allowed their good offices to be used in connection with that service. It seems to me the statement the minister has made to-night is a little bit of belated justice to these men, having regard to the uninformed criticism which was made of the transaction. As far as I am concerned I welcome this statement; and as far as I am further concerned the transaction is closed.

I should, however, like to have from the minister a statement of the policy of his department in connection with expenditures of a very substantial sum with respect to the acquisition of vessels during the past fiscal year, or the one now closing, the break-down of which he gave the other day and for which we have had no explanation, and also with respect to the coming year, so far as the acquisition of vessels is concerned; what has been done, and what is proposed.

Mr. MACDONALD (Kingston City): I shall be glad to give the statement. I cannot give details at this moment, but, generally speaking, there are only two ways of acquiring the vessels needed. We have either to build the vessel or to buy it. There is also a third way, and that is to charter the vessel. It depends on the purpose for which the vessel is required which method will be followed. In the case of United States yachts, the quickest way to get ships of that class into commission in the Canadian navy was to obtain them in the way in which they were obtained, and that practice was followed. Certain steps had to be taken, and I do not think, even at this time, while conditions have changed, we should go back and say that a year ago certain things were done in a manner which at that time might be open to criticism.

[Mr. Howe.]

Mr. HANSON (York-Sunbury): I do not think it was open to criticism, but it was open to misconception because of lack of knowledge. I would rather put it that way, that there was misconception.

Mr. MACDONALD (Kingston City): Could anyone tell the Canadian people at that time what was done?

Mr. HANSON (York-Sunbury): I did not say they could.

Mr. MACDONALD (Kingston City): It could not possibly be told.

Mr. HANSON (York-Sunbury): The time has arrived when it has been done, and I welcome it as clearing up certain misapprehensions which were created by the methods adopted. What I ask now is: What is the minister going to do with the vote of $56,000,000, mentioned on page 1495 of *Hansard*, for the acquisition and construction of vessels? I further ask him what he did with the money, $28,525,000 in the last fiscal year or up to January 31, 1941. I think we are entitled to that information.

Mr. MACDONALD (Kingston City): I shall be glad to give my hon. friend an analysis of those two figures, the amount for the current year and the amount asked for the coming year, as to ships to be constructed for us, ships to be bought and ships to be chartered.

Mr. HANSON (York-Sunbury): The minister cannot give it to-night?

Mr. MACDONALD (Kingston City): I do not think I can give the exact figures. I have the detail here, but I think I can arrange it in shorter form by to-morrow.

Mr. HANSON (York-Sunbury): I am quite willing to let it wait until to-morrow.

Mr. GRAYDON: Has the Minister of National Defence had opportunity during the recess to find the answer to the question which I put some time before six o'clock with regard to various medical categories in the reserve army?

Mr. RALSTON: No, I have not. I will have it to-morrow.

Mr. MacINNIS: I wish to ask a question of the Minister of National Defence for Naval Services. Some time ago the people of Canada were delighted to hear that in the army promotion would be made from the ranks. I have heard some criticism of the way in which promotions are made in the navy. Could the minister outline to the committee how promotions are made?

Mr. MACDONALD (Kingston City): Some promotions are made from the ranks. I think an announcement to that effect was made before Christmas. Generally speaking, if a man wants to take a commission in the Royal Canadian Navy he would enter the navy as a cadet and undergo a course of training in the naval college in England for a period of two years, after which he would serve some time on ships and receive his commission. The more common course to pursue is for a man desiring to be an officer to join the Royal Canadian Naval Volunteer Reserve, one of the eighteen divisions of that reserve found in the leading cities of Canada from Charlottetown to Vancouver. He joins as a sort of probationer and is observed by the officers commanding, and if he seems suitable for commissioned rank in the navy he is given a course. If he passes that course satisfactorily, he is sent to sea. Of the men training on the west coast now, a certain number have been taken from the ranks, I forget the exact number; but a certain number have been taken from what is called the lower deck, that is men in the ranks, and they are training along with others for positions at this time.

Mr. MacINNIS: Could the minister give at some other time the figures for the number taken from the ranks?

Mr. MACDONALD (Kingston City): Yes; I should not like to give a figure now; I am not sure what it is.

Mr. MacINNIS: Is there a minimum educational requirement for cadets?

Mr. MACDONALD (Kingston City): Yes, there is an educational requirement for an officer in the navy; he has to be able to do certain things with instruments which require a certain amount of mathematical training. It is all laid down in the regulations. It is, I think, about equivalent of matriculation.

Mr. NICHOLSON: I wish to ask a question of the Minister of National Defence. On page 1352 of *Hansard* where the appropriation for this department is broken down, I see an item of $8,232,697 for internment operations. Could the minister give details of this item? It seems a large amount. What proportion is recoverable from the United Kingdom?

Mr. RALSTON: I do not want to shift responsibility, but the matter of recovery from the United Kingdom is in the hands of the Minister of Finance. Only lately I think an agreement has been concluded with regard to internment camps. It was under discussion for a long time, and certain proposals were made. Internment camps are, however, under the Department of the Secretary of State, although the Department of National Defence does the work. We supply the guards and do the running and administration.

Mr. MacNICOL: Do you select the sites?

Mr. RALSTON: Generally speaking, the sites are selected by the director of internment operations who is appointed upon the recommendation of the Secretary of State but who has close liaison with the Department of National Defence. I think the sites are selected by him in consultation with the officers commanding in the different districts. I will try to give such break-down as I can. What has my hon. friend in mind, pay and allowances for instance?

Mr. NICHOLSON: It seems quite a large item.

Mr. MacINNIS: I have another question to ask of the Minister of National Defence for Naval Services. There was some criticism on the Pacific coast when the captured German ship the *Weser* was refitted and a crew was taken from the Atlantic coast to man the ship. The seamen in Vancouver claim that there are many idle sailors there who could have done the work just as well. What explanation has the minister on that point?

Mr. MACDONALD (Kingston City): I have nothing to do with that.

Mr. HOWE: That boat was condemned and turned over to the Canadian government merchant marine, and a crew was sent out by the Canadian government merchant marine. I presume it was a crew they had immediately available in the east, and instead of recruiting one in the west they sent out a crew they had available from another boat. I think it was not a complete complement of officers and men; I think it was only officers they sent out. I have a dossier on that boat, but I do not have it before me. I will try to get the information.

Mr. HANSON (York-Sunbury): What has the minister to say about the Vancouver *Sun's* story on that boat?

Mr. HOWE: I have been expecting a question on that. I have a complete story, I have it well briefed but I do not have it here.

Progress reported.

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

Tuesday, March 18, 1941.

The house met at three o'clock.

LOANS TO PROVINCES

CORRESPONDENCE BETWEEN DOMINION AND CERTAIN PROVINCES TABLED

Hon. J. L. ILSLEY (Minister of Finance): I desire to lay on the table correspondence between this government and the government of Alberta, and between this government and the government of British Columbia, relating to certain loans made by this government to those governments.

Mr. HANSON (York-Sunbury): Is that all the correspondence? There was no correspondence with other governments?

Mr. ILSLEY: That is all.

NATIONAL WAR SERVICES

TABLING OF REGULATIONS, 1940, WITH RESPECT TO RECRUITS

Hon. J. G. GARDINER (Minister of National War Services): I wish to lay on the table two copies of order in council P.C. 1822, providing for national war services regulations, 1940, recruits, and two copies of the regulations.

Mr. HANSON (York-Sunbury): Will these regulations be printed and distributed to hon. members, or shall we have to get copies individually?

Mr. GARDINER: I think it will be possible to have them mimeographed and sent to hon. members, if that is desirable.

Mr. HANSON (York-Sunbury): I think it would be.

PRIVATE BILL

GENERAL SECURITY INSURANCE COMPANY OF CANADA

Mr. SARTO FOURNIER (Maisonneuve-Rosemont) moved the first reading of Bill No. 18 (from the senate) to incorporate General Security Insurance Company of Canada.

Some hon. MEMBERS: Explain.

Mr. FOURNIER (Maisonneuve-Rosemont): The principle of this bill is to give to the General Security Insurance Company of Canada the status of a dominion company and to place it under the control of the federal department of insurance.

Motion agreed to and bill read the first time.

[Mr. Howe.]

MUNITIONS AND SUPPLY

SHORTAGE OF NATURAL GAS IN WESTERN ONTARIO FOR DOMESTIC USE

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): I should like to direct to the attention of the Minister of Munitions and Supply a matter of some importance. I brought it to his attention a week or so ago, and I spoke to him about it during the noon hour. A serious situation has developed in parts of western Ontario with regard to the supply of gas for heating purposes. I received a telegram at noon from the chairman of our citizens' committee, which reads:

> Gas situation really desperate. People draining water systems and deserting homes. Unable to work in our office.

In many of these homes are small children; in others are newly born babies, and there is no other method of heating than by gas. In spite of the expected scarcity of gas, the gas company continued to sell heating equipment last summer. This matter is very serious; could something not be done about it? I realize it is more or less a provincial matter, but perhaps there could be cooperation with the province in an effort to stop the use of so much gas in some of our war-time industries.

Hon. C. D. HOWE (Minister of Munitions and Supply): I have been in touch with the minister of mines for Ontario in connection with this matter, and some months ago he asked my cooperation. At that time I gave instructions that the officers of the department were to cooperate fully with the minister of mines for Ontario in curtailing the use of gas for industrial purposes. The difficulty I think is, as my hon. friend has said, that the gas company itself has greatly oversold the quantity of gas that can be produced, and it is difficult for this government to do anything other than to assist, if we are asked by one of our contractors to assist in installing oil instead of gas. We have been doing that for some time. We have been encouraging our contractors to change over from gas to oil. If the Ontario government minister responsible can suggest any further cooperation I am sure we shall be very glad to give it.

Mr. GERSHAW: I suggest that the minister move some of the industries out west, where there is plenty of gas and power and sunshine.

UNEMPLOYMENT RELIEF

QUESTION OF FEDERAL AID TO PROVINCES BY WAY OF GRANT OR LOAN

On the orders of the day:

Mr. A. H. BENCE (Saskatoon City): I should like to ask the Minister of Finance (Mr. Ilsley) if he can give any information in connection with the question I asked on Friday last respecting unemployment relief for those provinces which have indicated that they are not in a position to take care of it themselves.

Hon. J. L. ILSLEY (Minister of Finance): I find that there are no written communications, but there have been some negotiations, some conversations between the representatives of the Saskatchewan government and this government in reference to relief in the province of Saskatchewan. I am not sure whether there have been conversations with either of the other two provinces, Manitoba or Alberta, but there may have been something in the nature of conversations with Manitoba, though nothing very definite.

The matter has been taken up between the Saskatchewan government and the dominion government and certain arrangements are being made in reference to the current fiscal year, not the coming fiscal year.

INCOME TAX RETURNS

POLICY AS TO GIVING INFORMATION WHICH WOULD INDICATE INDIVIDUAL INCOMES

On the orders of the day:

Mr. F. D. SHAW (Red Deer): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. In answering certain questions which appeared on the order paper in my name the minister stated that it would not be in the public interest to separate individuals in receipt of incomes between $50,000 and $100,000 from those in excess of $100,000. Will the minister be good enough to explain what he means by that phrase, "not in the public interest," and will he also explain why it is not in the public interest?

Hon. C. W. G. GIBSON (Minister of National Revenue): Income tax returns that are filed are confidential documents, and it is not considered to be in the public interest that we should give information which might indicate the amounts of income tax that are paid by various individuals.

Mr. JOHNSTON (Bow River): He did not ask that.

Mr. GIBSON: If my hon. friend will wait a moment, I was going on to say that when we get up into the higher income brackets, there are so few individuals concerned that any indication of the actual number would almost point to the particular individuals who are in receipt of these incomes. The department therefore has always taken the stand that it should not particularize as to income tax returns of over $50,000 a year.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I think the question has hardly been answered. I myself have often wondered what is the government's interpretation of the phrase, "not in the public interest." It seems to me to be a convenient term which has been used by many governments on many an occasion as a reason for refusing to give information which might sometimes very well be given. That was the point of the question—what is meant by "not in the public interest?"

Hon. J. L. ILSLEY (Minister of Finance): There is an important matter of policy involved in the divulging of incomes of identifiable individuals in this country. It has been decided as a matter of policy in the United States that individual incomes should be made public, but in this country we have always gone on the opposite principle—that the government should not divulge to the public the incomes of any particular persons. That is a matter of public interest. Whether the policy is a correct one or an incorrect one is a matter of opinion; but assuming it is a correct one, that is actually what is meant by saying that it is not in the public interest to divulge the information.

WAR APPROPRIATION BILL

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

The house resumed from Monday, March 17, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war.—Mr. Ilsley—Mr. Fournier (Hull) in the chair.

Mr. MacNICOL: Mr. Chairman—

Mr. RALSTON: I wonder if the hon. member would permit me first to put on the record

a few sets of figures as to which one or two inquiries have been made.

First, the hon. member for Regina City (Mr. McNiven) asked for the pay and allowances, by districts, of the Canadian Army. I have them here. They are as follows:

Military district	
No. 1	$2,604,167
No. 2	8,169,445
No. 3	5,085,769
No. 4	3,841,136
No. 5	3,302,993
No. 6	5,289,390
No. 7	2,624,269
Petawawa camp	867,209
No. 10	3,864,965
No. 11	4,001,040
No. 12	1,843,282
No. 13	2,225,821

Some days ago the hon. member for Melfort (Mr. Wright) asked for figures that would show the amounts spent under a number of different headings. The first heading to which he referred was the non-permanent active militia, which is now known as the reserve army. I want to explain to him and to the committee that the accounts are not kept in such a way that one can separate the total costs of the non-permanent active militia from the active army, for the simple reason that stores, accommodation, equipment and many other items are paid out for both active and reserve army and are not segregated between these two particular functions. I am afraid that the best I can do at this stage is to give my hon. friend a statement which has been made up to show the amount paid to the reserve army, that is, the reserve army excluding those who have been trained under the National Resources Mobilization Act, for pay and allowances, also annual allowances for command, training, et cetera, paid to the commanding officers of the various units and which largely fall due for payment at the end of the fiscal year; also for rations in cash or in kind; rental of training areas; laundry charges; hire of vehicles; mechanical transport and horses where necessary.

Up to January 31, 1941, the total paid out for these items amounted to $3,008,821, and the probable payments to be made from February 1 to the end of the fiscal year will be an approximate sum of $3,000,000, a total in round figures of $6,000,000 for the fiscal year 1940-41. It must be made clear that these figures cover only the items which have been mentioned; that other costs such as stores and equipment, accommodation, travelling, upkeep and maintenance costs are not included.

My hon. friend also asked the same question with regard to the active service force. There the same difficulty applies. The branch, however, has endeavoured in another way to give my hon. friend such information as we could, taking a rough break-down and attempting to deduct charges for services other than for the active army. The figure arrived at in this way which was given me as a probable amount for expenditures up to January 31 for the active army is $252,497,796. That would approximate the expenditures made to January 31, 1941, for the active service force, subject to this, that it is made up roughly by attempting to make deductions so far as these could be quickly decided for services in Canada not within the active army. There again one has to consider that there is difficulty in segregating certain objects of expenditure in their application to the reserve army as compared to the active army.

My hon. friend asked for particulars of the expenditures for trainees. I refer him to page 907 of *Hansard*, where a statement was put on record. He also asked for the expenditures on administration of general headquarters and on the administration of the different military districts. But the accounts are not kept in that way, and it would take a very great deal of work to segregate the administration of these headquarters from the other charges for the army.

As regards actual expenditures for ordnance stores, another item for which he asked: for the ten months' period ended January 31, 1941, they amounted to $82,625,956.

On construction and repairs, the actual expenditure for the ten months ended January 31, 1941, amounted to $23,926,143. This does not include dominion arsenal, mechanical transport depots and assembly plants, or the National Resources Mobilization Act training centres.

For travel and transportation in the ten months ended January 31, 1941, the actual expenditure was $7,752,952. This item does not include transportation for those under the National Resources Mobilization Act, which is shown in the statement on page 907 of *Hansard*.

Last evening the hon. member for Peel (Mr. Graydon) asked for a break-down with

regard to the medical categories of those who were trained at the training camps. For the first period, October 9 to November 8, 1940, I am sorry to tell my hon. friend, the break-down is not available; that is, it is not tabulated. It would be necessary, I am told, to examine the medical examination forms of each particular candidate who passed. That is to say, if a man passed they just filed his form. The total number was 25,521 for the first camp. I can give my hon. friend the break-down for the second and third camps:

	"A"	"B"	"C"	Total
Second period November 22—December 22, 1940	23,152	3,899	1,066	28,117
Third period January 10—February 9, 1941	23,199	3,867	961	28,027

Mr. GRAYDON: May I ask the minister if he has also the figures—I thought this had been made clear yesterday—of medical history sheets of the reserve army in Canada?

Mr. RALSTON: I fear it is impossible to obtain that. They are at the different districts, I understand, and I am having the Director General of Medical Services make further inquiry from the districts to see whether that information can be supplied.

Mr. GRAYDON: I would not want to cause any inconvenience or expense, because the matter is not sufficiently important.

Mr. RALSTON: I should be interested in the result of the examination if I could get it.

Mr. MacNICOL: In the course of the wonderful speech made on Saturday night last by that very great man who is now President of the United States—one of the greatest men, in my judgment, of all time—he mentioned on several occasions the matter of ships; and last evening I told the Minister of Munitions and Supply that to-day I should like to ask him a little further about ships to be produced in Canada. I thought that perhaps in the course of his reply he would be able to give Canadians the reassurance that everything possible is being done in this country to produce sufficient ships to take care of our responsibilities in that direction in connection with the prosecution of the war.

I read carefully what the minister said the other day in his brief observations on what I said in the course of a short speech on the building of ships; and if I understood him correctly, he said it was his intention to initiate and support the building of ocean-going cargo ships, presumably of five, six, seven, eight and ten thousand tons, on both coasts. With that I am in hearty accord. I believe that is where these big ships should be built, because they could not be taken down through our St. Lawrence locks, which, I believe, will accommodate only ships of 245 feet.

Mr. HOWE: That is right.

Mr. MacNICOL: The minister also said that in his opinion corvettes and mine-sweepers could be most satisfactorily built on the great lakes. With that statement also I am in hearty accord. But he added, as I remember, that the difficulties were, the supply of steel and the obtaining of men qualified to superintend the construction of ships.

Could the minister not do somewhat more than has been done? I do not know—perhaps he will tell us—what has been done in the way of producing a great deal more iron in Canada. I believe in 1939 we did import somewhat less than 1,700,000 tons from Bell island, Newfoundland, to keep the blast furnaces at Sydney in operation. I understand that we are now producing in Ontario over half a million tons of iron a year from the Helen mountain deposit in Algoma. Those later deposits, which I have examined thoroughly, are a magnetite ore. Now the same company which operates the magnetite ore deposits in Algoma is—I am told, although I am not sure of this—considering reopening or going on with the production of more or less similar ore deposits at Moose mountain, in the Sudbury area. I do not know whether the company has asked any support from the government; but is there anything the department could do to expedite the production of the Moose mountain ores? Because if they could produce another half million tons at that point, it would mean that a million tons would be produced in Ontario and thus another half a million less would have to be imported from the United States. It is not that I have any objection to importing from the United States, but I am more in favour of producing in Canada if we can.

I should like to know whether the department could do anything to expedite production on another body of ore, with which the minister is familiar, at Steep Rock, which, if not in his own area, is in northwestern Ontario: it is a very large deposit of hæmatite ore, similar to that found in Wisconsin and in Minnesota, and therefore of a high

grade. All of us have been reading during the past two or three years of the progress of development at Steep Rock. I know something of the difficulties, of the necessity of eliminating the water hazard, but can we do anything to expedite production there? It is a particularly high-class grade of hæmatite ore. I have examined a sample of it, and was much pleased with the sample I saw. In that regard the department might help materially in producing steel for the construction of ships in Ontario. Where the steel for the production of ships on the two coasts comes from is another matter. Perhaps some of it could be produced on the east coast.

Yesterday we were all alarmed, though perhaps we should not be, at what we read in the newspapers about the sinking of British shipping since the war broke out. The amount is less than 5,000,000 tons. The same article indicated that, notwithstanding that great loss, as a result of the purchases of ships, the building of ships in their own yards and the use of ships from other nations, our allies, besides captures, the total British tonnage is only three per cent less than when war broke out. But in view of the avowed intention of the Germans to send into the Atlantic ocean a large number of submarines, I have been wondering what the minister could do to speed up production at the present time of submarine chasers, corvettes and so on, all of which can do effective work in keeping down the submarine menace. Such ships can go through the St. Lawrence canals, and these small ships could be built on the great lakes.

I would ask the minister to tell the committee and, through the committee, the country, what he has in mind in that regard. Will he tell us what he can do and thereby reassure the country and, through this country, our brave friends in the old land that we shall do everything we possibly can in this house, that his department will do everything it can —all of which I know both parliament and the country will back up to the limit—in the way of production, first, in steel if necessary, and secondly, in any event, in the production of ships from steel that we make here or that we can purchase. A statement to this effect would reassure everyone that all that this great country can do will be done to see to it that the submarine menace now threatening is kept down. I shall be glad to hear what the minister can tell us.

Mr. HOWE: First, regarding the steel situation as it affects the building of ships, the situation is in very satisfactory shape or is becoming so. Some ten or twelve months ago, perhaps longer, we undertook to step up the steel plate capacity of Canada. At that time the only firm manufacturing steel plate was a firm in Hamilton, the Dominion Steel Foundries, I believe.

Mr. HANSON (York-Sunbury): Was there not a plant available in New Glasgow?

Mr. HOWE: No.

Mr. HANSON (York-Sunbury): I am told by Colonel Cantley that the plant in New Glasgow is available but is quite idle.

Mr. HOWE: If it is capable of running I am surprised that some one has not operated it. There was a plant, I believe, at Sydney, installed during the last war. Since then parts of the equipment have been taken for other purposes and it was determined that an expenditure of $4,000,000 would have been required to put the mill into operation. The difficulty there is the shortage of primary steel. Contracts had been made for the export to England of all surplus ingot capacity of that industry. We have opened up the question with Great Britain to see whether they would take steel plates produced by the mill, but the British steel controller said that it would be more useful for their purpose to obtain ingots, rather than ingots converted into plate, and as they had contracted for the output before the war we did not feel that we could interfere with that contract against their wishes. However, since the beginning of the war we have stepped up our steel plate production. Under the first ship contracts, steel plate was largely purchased in the United States. Within the next thirty days the Steel Company of Canada are putting into production one of the largest and most modern steel plate mills on the continent, and it is anticipated that the total ship requirements for anything that we can do in Canada would not reach more than forty or fifty per cent of the capacity of that one mill. So that we are amply provided for so far as steel plate capacity is concerned.

Mr. MacNICOL: Is the new plant in Hamilton going to roll 40, 50, 60, 70, 78 and so on, or is there a limit?

Mr. HOWE: It is one of the widest of plate mills. It is at least 72 inch though it may be 90 inch; I am not sure. However, it is one of the widest plate mills installed anywhere, and of course a mill of that type has no difficulty rolling narrower sizes. We are in quite a satisfactory position as regards steel plate.

As far as the steel situation generally goes, it has been increased by about 500,000 tons since the outbreak of the war. We had a theoretical steel capacity at the outbreak of the war of about 2,200,000 tons, and within the next month or two we shall be producing at the rate of about 2,700,000 tons. We still

require to import about 1,000,000 tons of steel from the United States, and that is the normal position when Canada is busy. Of course, except in peak periods, our steel industry is not working to anything like capacity. It is a matter of judgment whether at a time like this we should go all-out to make ourselves self-contained in steel for war requirements. It is my judgment that that is not justified, particularly as we have obtained every assurance that the usual source of supply will be available to us at least up to the amount that we nominally take, and it is the opinion of the steel controller and of those who have studied the matter that we are amply protected for our war-time steel requirements.

Iron ore is not a serious problem. Of course, Sydney has its own iron deposits, ample for all purposes. The Algoma Steel company has the Helen mine, which provides part of its requirements directly, and from which they are able to trade ore for ore to obtain the rest of their requirements. As my hon. friend knows, no single mine can produce all the ore that a steel company requires. Various grades of ore are necessary, and I believe that the Algoma plant uses some ten different grades of ore which are mixed to manufacture the various grades of steel which the plant produces. The Steel Company of Canada owns iron mines in the United States and purchases its requirements from a great number of sources. There is no shortage of ore in sight there. The only possible shortage of ore would be due to a lack of lake tonnage, and that I think is scarcely likely to occur this season.

As far as Steep Rock is concerned it is difficult to associate that with a war project. It is the estimate of those responsible that it will take at least two years to complete the development of that ore. The Moose Mountain mine near Sudbury is a deposit somewhat lower in grade than the Helen mine, and there again it is doubtful whether the development of that mine would make any great contribution to the Canadian war situation.

Hon. members will appreciate that we lost no time in undertaking a shipbuilding programme in Canada. The first order placed when the defence purchasing board was formed was for railway rolling stock, and the second was a very large order for corvettes. We have been using yards that were in existence at the beginning of the war to their full capacity, and those yards are working at full capacity to-day. We have arranged for the building of corvettes in two new yards on the great lakes, that is yards that have not been in operation for many years, but both are locations where ships had been built in the last war and where skilled labour was available, one at Toronto and one at Midland.

We carried out a very large programme of building of corvettes, and that was followed by a large programme of mine-sweepers. The last of the corvette ships that we have on order have recently been placed. We still have a number of mine-sweepers to place.

The demand for cargo ships has arisen within the last three months, as far as our communications indicate. The fact that everyone believes now that we should have been full-out in merchant ships arises of course from the recent losses, from a situation that has developed very recently. After the fall of Dunkirk the great demand was for guns. We responded to that demand; I think to the full productive capacity of Canada. About one-third of all our contracts in Canada are for the production of guns. Had the emphasis at that time been on ships, our effort would have been directed towards a somewhat more rapid development of additional capacity in existing yards, and possibly to the opening up of new yards.

Mr. ROWE: What percentage of the present shipbuilding capacity are we utilizing at the present time?

Mr. HOWE: One hundred per cent of all the capacity we can get, and we are building more capacity all the time by getting more trained men. We have kept it up to one hundred per cent of what the yards can do. There is no yard in Canada capable of building steel ships that has not had all the work it can do since we started operations.

Mr. ROWE: In three shifts?

Mr. HOWE: Well, with all the labour that they can use. They have plenty of work to do; whether they can work one, two or three shifts depends on the number of experienced men that can be made available. I assume every yard is trying to turn out as much work as it can.

Mr. ROWE: I think I could name a couple of yards that could increase.

Mr. HOWE: Well, let us have your story.

Mr. ROWE: I am not going to interrupt, only to say that I believe the shipbuilding yards of Collingwood and Midland could increase their present capacity. I think they are running only one shift, eight hours a day. There have been I understand many men unemployed still in those districts that could be used for that purpose. It seems to me that in many districts three shifts would be justified, that those plants should be running nearer to full capacity instead of only one shift a day. I think they should be running also on Sundays.

Mr. HOWE: All I can say is that the Collingwood yard has had all the work it can

possibly do last season and this season. I know they have had applications with us for boiler makers, we have been scouring the country to get boiler makers for Collingwood and Port Arthur. It is probable that there is a surplus of unskilled labour, but if there is a man idle in this country to-day who is skilled in the building of ships I should like very much to have his name and address, because he can be given a job immediately. I cannot say why the Collingwood yard has not been running three shifts, but I assume it is only because it has not been possible to obtain more skilled men. I know that the staff at Collingwood has been growing steadily, as has the staff at Port Arthur; each week the number of men at work is larger than for the preceding week. It is just a question of being able to train and develop additional men. That is the history of the whole shipbuilding enterprise in Canada. We started from very small beginnings, and each week have had a larger number of men engaged in the industry.

Mr. ROWE: In other words, it is running at the full capacity of labour?

Mr. HOWE: That is it.

Mr. HANSON (York-Sunbury): I had a letter this morning from a labour union in British Columbia in regard to that matter. I am sorry I haven't it here, I sent it to the hon. member for Vancouver South and he is gone to Toronto to-day. In it they questioned that statement. I express no opinion at all, I do not know; but I wish the minister would take steps to explore the position in British Columbia, because they rather contradict the allegation that all skilled labour there is fully employed.

Mr. REID: I think the letter to which the hon. leader of the opposition refers relates to unskilled labour, because it was signed by the labourers' union.

Mr. HOWE: We have had our director of shipbuilding in British Columbia for the past week or ten days exploring every avenue for obtaining new production there. We have also had a report from the war-time requirements board; that board consulted experts in shipbuilding from all parts of Canada. It is the considered opinion of all the experts who have reported to me that it will be possible gradually to expand the existing yards in British Columbia, but all recommend against opening new yards there for the reason that there is not sufficient skilled labour available.

I wish hon. members to understand that our shipbuilding project has never been static, it has always been increasing. In every yard in Canada capable of building steel ships, each week shows an increase in the number of men employed; that will continue, and it continues rather in geometrical progression, in that as each staff gets larger it is capable of training and absorbing men at a higher rate.

As I say, we have finished placing orders for the corvette programme, but it will be the end of this year before the last are delivered. Our mine-sweeper programme is still under way, and we have additional mine-sweeper orders to place. It is our intention to concentrate this work more or less in the great lakes, to the extent that we can do so and still maintain deliveries. Those that order mine-sweepers order them to be delivered as of a certain date, and it is necessary for us to maintain those dates.

The policy of the department will be to concentrate in great lakes shipyards boats that can be moved out through the Welland canal. As for the coast and St. Lawrence river yards, we have already placed all the cargo ships for which berths are readily available. Twenty ships of approximately 10,000 tons have been placed; steel is being assembled, and work is proceeding.

Mr. HANSON (York-Sunbury): That is for the account of Great Britain?

Mr. HOWE: That is right; and we have determined on additional capacity that can be developed. It must be developed in the way of new berths, and we have worked out what our experts advise us is the maximum programme that can be successfully carried out, covering 1941, 1942 and 1943. It shows a rapid progression in the number of boats that can be launched in each of those years, and at the present time we are proceeding to arrange for the construction of this additional boat capacity, which we will follow up with orders as we are able to place them.

In brief, that is the policy. As I stated in the house, as Canada is situated to-day we believe it is necessary, even though it is not economical, to undertake the building of destroyers. We believe that with the fleet of destroyers we have to-day it is necessary to develop destroyer building technique in this country, and to develop sources of supply in Canada for every piece of equipment that goes into a destroyer. That work is proceeding and will be carried along as rapidly as possible without interfering with the more urgent requirements of our programme.

Of course, as I have said in the house before, the most urgent requirement of all is to be able to give rapid service in overhaul and repairs to the boats that are coming to our shores. The greatest contribution we can make to the immediate situation is to give a quick turn around to these boats, and we

are doing everything we can to build up the repair facilities at Halifax, Saint John and other ports capable of doing this repair work. We are building a floating dry dock at Halifax which will greatly help out the docking situation there, in connection with the repair of ships. Construction of that dock is well under way and will be in operation this autumn. We have also greatly enlarged the machine shop facilities at Halifax. The shore shops have been enlarged and in addition we have installed a floating shop, which is a great help in the repair and overhaul of ships. That will be our first and most urgent effort, to enlarge as rapidly as possible the personnel and facilities for the repair and overhaul of ships. The situation will be eased greatly when the St. Lawrence river opens and some of that repair work can be diverted to St. Lawrence yards, but I can assure the committee that we intend to move heaven and earth to make sure that adequate overhaul facilities are available on the Atlantic coast before the St. Lawrence closes this year.

That, I think, is the building programme. It is intended to expand our shipyards as rapidly as possible. Since the beginning of the war, we have kept every yard well supplied with work. I do not think any yard can complain that it has not had at all times all the work it was capable of carrying out. I am sure if any yard had been capable of doing more work it would have delivered its boats faster than has been the case, though I must say that deliveries of boats have exceeded our expectations up to this time, and we believe the shipbuilders are doing everything possible to cooperate with the government in producing the maximum number of ships.

Mr. HANSON (York-Sunbury): Is any extension contemplated at Saint John, and is anything contemplated at Sydney?

Mr. HOWE: We are studying the Sydney situation, and I believe something should be done there. The difficulty at Saint John is that we cannot get enough men to operate the present facilities. My hon. friend will understand that where we have existing facilities the first necessity is to get those facilities operating to full capacity before installing further facilities. For example, there is no purpose in extending a dock if the present dock is operating only fourteen hours a day. It is far better economy to get that dock operating twenty-four hours a day; in that way we will get quicker and better results. The same situation exists at the Saint John dry dock. If we can ever get that dock operating anything like twenty-four hours a day we will then go ahead with the additional facilities. I feel sure the time will come when these facilities will be expanded.

Mr. MAYBANK: Mr. Chairman, it is always a difficult matter to change the subject, and I suppose very often it is not quite in accord with the desires of hon. members that the subject should be changed. At the same time the difficulty in which I find myself is that if I do not change the subject, no one else will. There are certain matters I wish to lay before the committee under this omnibus resolution; therefore at the risk of appearing to be abrupt and even brusque—which is far from my intention—I must take the responsibility myself of changing the subject.

On Tuesday and Wednesday of last week I was speaking in this house upon a subject which was then left unfinished, and I wish to resume that discussion. I was speaking about the cordite plant located at, or certainly very near, the city of Winnipeg, and the matter of the coal to be used in that plant. I should like to preface my remarks to-day by an expression of regret at the course which the debate took last Wednesday afternoon, and to say that in so far as I had any responsibility for the debate being less orderly than it might have been, I apologize. As a matter of fact, after thinking it over I believe I had a good deal of responsibility in that respect, and I the more readily express my regret. I have another reason for saying that. Candour, I think, would compel one to do it; but I have a further reason, which I communicated in writing to the minister immediately after I left the house last Wednesday. I should regret indeed to say or do anything which would hurt the minister's feelings. There is no person for whom I have a higher regard than the Minister of Munitions and Supply. No man, I believe, is doing greater work at the present time in this war effort than this same gentleman. That does not mean that everything will flow along smoothly. In fact, I think he would be disappointed if that were the case.

There is another reason for my speaking as I do this afternoon. The general feeling has apparently been that a sharp attack has been made upon the government by one of its followers. My attitude with reference to this problem should not be interpreted as an attack upon the government, except in an indirect way. My attack is made upon some of these persons who have been given a great deal of authority but who have practically no responsibility to the House of Commons or to parliament. My attack is upon certain agents of the government of Canada. My attack is upon the people who head the Allied War Supplies Corporation Limited; the chairman of the board of directors of that corporation is Hon. Mr. Dunning, the president is Mr. Harold

Crabtree. They and their engineers are the people against whom I would direct any shafts than I may shoot.

But I must say even with respect to them and to persons like them that I would not want it thought that there is any general dissatisfaction on my part. I am not one of those who is ready to come out and attack all the so-called dollar-a-year men just because it seems to be the popular sport. I think many of these men, and the two I have mentioned specifically, are doing a great job. They have given their services and time. They have had long experience, a great business build-up, and they have much to offer to the country. In the main, they are giving it fully and freely. I do not want to be misunderstood as making a general attack upon the motives, upon the patriotism, upon the abilities or upon the qualities of these people. My attack is made only on this one specific point.

As will be clearly seen to-day, my complaint is that a decision was made without thought: that no thought was given to the particular point in dispute. After the decision was made, and after the persons who had made it had drawn to their attention the fact that a wrong decision was arrived at, they were not prepared to back up or admit a wrong. They undertook to justify that decision. Having commenced to justify it, they stuck to their attitude and have been doing so ever since. I propose to prove this largely out of the mouths of these people themselves.

So far as any general attack upon the government is concerned, I do not suppose any person believes more profoundly than I do that we have a government to-day which is doing its job better than any government that possibly could have been put into these seats. I do not want to get into any tangle with the members of the opposition on this matter by saying to them what could be said. I could be just as frank with them should I so decide. I am not currying favour with the government when I talk that way, and I am not currying favour with the opposition when I please them.

Perhaps I might just restate the problem. In the cordite plant at Winnipeg, a $10,000,000 project, it is desired to burn a coal which will be the most economical. The Allied War Supplies Corporation Limited, a creature of this government, decided to use a coal which in my opinion is not the most economical. I am interested in saving as much as I can of the money of the citizens of this country.

Mr. HANSON (York-Sunbury): It is British money.

[Mr. Maybank.]

Mr. MAYBANK: I realize that it is British money, but that has nothing to do with it. I do not want to be thought impolite in making that quick retort. I thank the hon. gentleman for making the interjection, but I do not think it makes any difference whether the money to be saved is British or our own. If we owe a duty to our own citizens to save money, we owe a greater duty to the beleaguered people of Britain to save their money. We are trustees for them, and I think my hon. friend will agree with what I say. If I appear to be vehement in my reply, I do not intend to be impolite to him.

There is the problem. Aside from its being an economic problem, there are other factors which enter into it. There is the question of government policy generally. So that hon. members may be left in no doubt I say that the company headed by Messrs. Crabtree and Dunning has deliberately flouted government policy in respects other than economical. I think I shall be able to show this. Since I have correspondence I wish to place upon the table, it may be necessary for me to ask the indulgence of hon. members to be allowed to speak longer than forty minutes. I hope that indulgence will be granted.

Between last Wednesday and Saturday morning I spent a good deal of time interviewing people in Ottawa in order to get their opinions upon this subject. For example, I interviewed the fuel board, who are interested in the conservation of coal in this country, as well as various experts in combustion engineering, most of them government employees.

Just before presenting some of the facts I wish again to make reference to the possibility of this matter being referred to the committee which has been set up to examine expenditures. The most cursory examination of this suggestion should suffice to convince anyone that it would be a useless act on our part. The problem we have before us now is to stop some of the government appointees from flouting the government. The problem we have before us now is to stop some of these people from wasting the money of the British government which we hold in trust. The problem we have before us is to stop them now from pursuing a course which will waste the coal and put our transportation system to an uneconomic use. The problem we have before us is to stop these appointees of the government now, and not leave the matter entirely in their hands to deal with just as they like, leaving it to us to inquire afterwards. Merely to refer the matter to the committee would be putting our seal of approval on what they have so far done, and then inquiring afterwards whether they were

right. In the meantime the money would be lost, the coal wasted, and the transportation system overloaded.

Allied War Supplies Corporation is determined to have its own way in this matter, regardless. I repeat, they are determined to have their own way. Let us get that point clear. They know where they are going. I quite agree that when organizations of this kind are set up we must allow them a great deal of freedom, but we cannot, it seems to me, give them full freedom; for that would be simply to abdicate governmental functions. They have made a decision here, I submit, first of all, without thinking; and secondly and thirdly and fourthly and fifthly they endeavour to support it by a lot of spurious reasons and arguments. I think they have proved that point themselves.

I should like to read to the committee a copy of a letter which would seem at first glance to wipe out all the objections I am making and to set at rest or brush aside any criticisms. But a second consideration of the matter will create quite a different impression. I read from a copy of a letter which is a report to the Department of Munitions and Supply, dated January 13, and signed by W. H. Wharton, chief engineer of the Allied War Supplies Corporation. There is a reference to a file number at the top of the page, and then the report is entitled "Fuel for steam generation". It reads:

> Further to our conversation of Saturday morning regarding fuel for the Winnipeg project.
>
> This matter was given considerable thought during September when we then had before us a resume of coal costs and analyses, all from Canadian mines, and ranging from the low rank Saskatchewan lignite to the bituminous and semi-anthracite coals of Alberta.
>
> Saskatchewan lignite from Estevan was definitely the cheapest fuel, but other important considerations mentioned below mitigated against its use.
>
> Lignite fines can be burned successfully on travelling grate stokers—

Lignite fines, I may say, are simply the very fine particles that you will find in any kind of coal. It is a good descriptive expression. The report goes on:

> Lignite fines can be burned successfully on travelling grate stokers, but this equipment was ruled out because of high first cost and the fact that such a job is unsuitable for use with other coals. The lignite "sized" coal is best handled on the sprinkler type stoker, but this machine is more costly than single retort underfeeds and this latter machine will provide a better fuel burning range and will give higher efficiency with other western coals. The kicker stoker would give us a problem of ash discharge which we must guard against in this type of explosive plant and this consideration also ruled out the possibility of going to pulverized fuel firing. It will be realized that this plant would consume in excess of 20 tons of lignite per hour for steam generation and since lignite cannot be stored on the site in quantity, I did not feel that we could depend on day by day deliveries from the lignite field, especially in view of labour troubles which have been in evidence in that section.
>
> The schedule on the Winnipeg project definitely called for a part of this steam plant being in service July 1, 1941, and this fact weighed heavily in favour of duplication of equipment at Nobel, and de Salaberry, on which plants all engineering work had been completed, entailing design of power house, steam generating equipment, piping, bunker storage, etc., etc. We are still dealing with the mines in Alberta and have not, as yet, signed a contract for coal, but we will, in all probability, burn the better grades of bituminous coal, either from the Crowsnest pass or from the northern field.

The letter concludes:

> I trust that the foregoing will cover the situation fully, and am
>
> Allied War Supplies Corporation,
> W. H. Wharton,
> Chief Engineer.

Before passing on to something else I should like to direct a little more careful scrutiny of that letter. In the first place, according to the chief engineer, Mr. Wharton, the matter was definitely closed in September, 1940. It is important to bear that date in mind because of what developed afterwards. The matter must have been closed on the date of this letter, January 13. This letter, dated January 13, says the matter had been closed in September. Well, even if it was not closed in September we can be pretty sure that it was closed in January, and it is important to bear this in mind in view of what happened afterwards. He says in the letter:

> This matter was given considerable thought during September when we then had before us a résumé of coal costs and analyses all from Canadian mines, and ranging from the low rank Saskatchewan lignite to the bituminous and semi-anthracite coals of Alberta.

I want to tell you what I know now, and that is that tenders were called for coal on September 30, and there were not many days left in September after the 30th. Tenders were called on September 30. In spite of that fact the letter states that they had before them these costs and analyses from Canadian mines "ranging from low rank Saskatchewan lignite," and so forth. When you read that sentence there is enough right there to start the flow of suspicion. Would you think that they had ordered the equipment for bituminous coal, equipment which they admit and state over and over again is not suitable for lignite coal, and then sent out the call for tenders? If so, it was just playing ducks and drakes with the trade, just asking them to submit informa-

tion when they knew full well they did not want any such information. They did not get their replies until October. Here again I want to point out that it was clear in their minds—pluperfectly clear—that Saskatchewan lignite coal was definitely the cheapest. After this letter there is no more argument about the economics of the question. They have to find some other objection to the use of lignite. The travelling grate costs more, and therefore it is ruled out. I have not any special complaint about that. It may be so, although all manner of other people are using it and are finding it worth while. A large number of commercial plants are using that particular equipment. But I am not concerned about that; that is not the only equipment they can use. Every other person that uses it—and most of the big plants do—say they have found out over a period of time that the savings far outweigh the disadvantage of the higher first cost. A big sugar beet plant which has been erected in the city of Winnipeg burns while in operation more coal than this ten million dollar cordite plant will burn, and they have that kind of equipment. However, I am not insisting that any particular type should be installed; all I am emphasizing is that sound economic practice should be followed, that Allied War Corporation should keep in accord with the policies of this government generally, which in fact it is violating. I say they should follow this government instead of trying to lead it. We shall have no difficulty as soon as Messrs. Crabtree and Dunning assent to that simple proposition.

As a matter of fact, with the kind of equipment which I have just mentioned, the cost to that sugar plant of making steam is something like 28 cents per thousand pounds, whereas by any method in use with bituminous coal, the figure is nearer to 40 cents.

However, Mr. Wharton gives another reason in his letter. He says that the equipment which apparently he had then decided upon is useful for a larger range of coals. But he does not mean to include in that, it will be recalled from reading his letter, the lignite coal, because he has ruled lignite out. Well, what he is deciding to put in may be better in the sense that it will take in a wider range of the bituminous coals, but it is against the interests of the country to use anything but lignite coal. So that he does not need to set out to use something which is suitable for burning several different kinds of coal. We shall find out, as we found out in the last war, that Canada has no more coal than she needs, and that something akin to rationing will be necessary. As I understand it, government policy already points in that direction.

[Mr. Maybank.]

Mr. Wharton declares against using the travelling grate equipment. He adds that there is another kind which is best suited for using sized lignite coal. This is coal of about half an inch to two inches. He talks about the additional cost of that kind of equipment. But he never made any inquiries as to its cost; there never was any tender called; he and they decided without thought that certain things would be done. That is all there was to it. No inquiries were made of other concerns with reference to the equipment which, he says, has a higher cost; that is, this so-called "kicker" system.

In spite, however, of his objection to the higher cost he does not go so far as to say in this case that the higher first cost of that kicker equipment would offset the savings from the lignite coal. On the contrary, the lignite is good, and he knows it, and every person knows it; it is still by far the cheapest coal for Canada, and, having regard to that, it is thoroughly efficient coal for Canada.

The description of this kind of machinery which has been given to me—and I have also seen it—is substantially this. What he calls the "kicker" system is simply a system of stoking which carries the coal in and lays it on top of the fire, whereas the kind of equipment in use with bituminous coal has already been referred to as an underfeed; it pushes the coal up from the bottom. I mention that because these terms may be used from time to time. What more than one engineer has remarked to me about the kicker equipment, which lays the coal on top of the fire, is that it is simply hand-firing, except that it is done mechanically; this is rather a contradiction in terms, but it is the way they put it; and most people would think that so long as you pile enough coal on, you can get enough steam, although you cannot do as well in some cases as in others.

I have discovered a further point. When he speaks about the unsuitability of that equipment for certain other coals, it is to be noted that this equipment which ought to be put into the cordite plant is the standard United States government equipment from coast to coast, and consequently it must be in use in the United States for all kinds of coal. In seven years in the area from Swift Current to Kenora there has not been installed a single new underfeed plant; we are left to this day and this date with Crabtree and Dunning, with a creature of this government under their leadership, or rather under their compulsion, trying to turn back the clock.

Not all these other people can be wrong, you know. Do you suppose that every industrialist in western Canada would be fool enough deliberately to place his industrial plant in jeopardy? It just does not make sense, Mr. Chairman. I do not mind a man on the outside making—to a certain extent—fools of the members of this parliament, but these gentlemen are going a step too far. Do you suppose that every combustion engineer out there is always and completely wrong, and that only the combustion engineers whom these gentlemen have in their employ are always right? As I have said, one of them, not the Mr. Wharton whose name I have mentioned, but Mr. Abbott, comes straight from the company which makes the equipment that is to be put into the plant. I do not suggest that this man is financially interested, but I say that after long experience with that company he is almost certain to be prejudiced in favour of the organization for which he worked so long, and which doubtless he served so well.

I might interject this. Whenever any possibility of personal interest or personal bias or prejudice, because of long association with an industrial concern or for any other reason, enters into a picture, then it is the part of wisdom to examine most carefully any decision that is being made; and it would be wisdom on the part of a man in such a position to lean backwards against the making of a decision in favour of his own company.

It was remarked in the letter I read to you that the writer did not feel safe in relying on day to day deliveries. Well, all kinds of others use a great deal of coal. They are relying on day to day deliveries. Nobody has been let down yet. There is coal of all kinds there. It is very close to Winnipeg. They are all getting it. The Canadian Pacific Railway at its Weston shops is burning 15,000 tons. The Canadian National Railways at one of its shops is burning 30,000 tons, and the Canadian National Railways in another shop is burning 30,000 tons.

Mr. NICHOLSON: Per annum?

Mr. MAYBANK: Per annum. I might tell you, by the way, that the Canadian National Railways found out—and it is simple enough for us to find out from them—that when they installed the equipment for lignite they saved $40,000 in one shop. The Swift Canadian company, another big plant, is using 12,000 tons. The Manitoba Sugar company, which I have already mentioned, is using 20,000 tons. There are all kinds of small ones. The university of Manitoba is using 8,000 tons, and all our hospitals in the city of Winnipeg are using it, one using 5,000 tons. The Selkirk mental hospital, just outside Winnipeg, is using 10,000 tons, and another large place in Brandon is the same. They are all the same. All you have to do is to take the list of industrial concerns in the area I am talking about and it will be practically a list of those that burn lignite with this equipment, with this exception. The only ones you have to cross off the list are those with old equipment, who could not change; but apart from that, the list of industrial places burning coal and the list of places burning lignite with the proper equipment that we have been talking about here to-day are coterminous. No one says they are fools except the engineers of allied war supplies.

We have lignite coal close to Winnipeg, about 290 miles away. It comes into Winnipeg by both railways, and there is a twenty-four hour service. Every person gets all the coal he wants of this kind. There are no difficulties. On the other hand, the coal which these people propose to use comes from a place about 890 miles away, and there is only one railway bringing it in. They cannot get it from the northern part of Alberta but only through the Crowsnest pass, a trip of about 890 miles. Any kind of tie-up on the railway is much more serious for that kind of delivery than in the case of the short haul of lignite.

Mr. NICHOLSON: Which railway?

Mr. MAYBANK: The Crowsnest is Canadian Pacific.

Now, someone might wonder about the possibilities of supply—whether or not they have all the coal in the ground, whether or not they are working at it. I have heard that raised. This man talks about the dependability of supply. I talked with Abbott, the engineer whom I have mentioned, and he spoke of dependability of supply. That was the final and only thing he had to talk about. He said that was the only thing that worried him. Well, I have a memorandum I made after inquiring into the facts—and there is no doubt about it that the facts are correctly stated.

Who are there out there who can deliver one hundred tons a day? There is one company which for a long time has been delivering 1,000 to 1,200 tons a day, and it has not let anyone down. There is a larger company which has been delivering for a long time from 3,000 to 4,000 tons a day. Numerous small mines are producing 100 tons a day or more. Most of the mines are not working to capacity. Most of them can be stepped up almost double without any difficulty at all; that is to say, they can spring right into double to-day's pro-

duction almost overnight. So that there is no problem of any kind involved from the standpoint of dependability of supply.

But for a really egregious statement indicating ignorance, I commend you to the last sentence of this gentleman's letter where he talks about labour troubles. There have been no labour troubles there. That is the answer. That is the fact. In 1932 in the Estevan field there was trouble. The only bit of trouble in the Estevan field in regard to labour from that time to this was a dispute between two trade unions as to which one of them should be recognized. They eventually got that settled. It was not under the present Minister of Labour; it was under Norman Rogers. I remember discussing the question with him at that time. They got that worked out. I do not know which one turned out to be the one recognized, but what does that matter? I do know that there was never any dispute about wages and working conditions.

Mr. MacNICOL: No dispute between the company and the men?

Mr. MAYBANK: Nothing of that sort. The man who talks about labour trouble in this field does not know what he is talking about. There is no coal field in Canada as free from labour troubles as this. As soon as that particular union war was over the union that won signed its agreement of wages and working conditions, which had always been ready for them. Not only that, but they got a model agreement whereby all changes that come about in conditions from forces over which they have no control—cost of living and so forth—will be immediately incorporated as changes in the agreement. You have the best labour situation out there of any coal mine in Canada. When an engineer says he cannot rely on his supply because of labour troubles, and is going somewhere else on that account, he is not getting out of the frying pan into the fire; he is getting out of the refrigerator into the fire.

One day in that little community of Estevan —and that is the centre spot of this business— they decided to raise money for an ambulance. They required $2,500. In twenty-four hours the fund was $1,000 oversubscribed by the workmen in and about that field. The Red Cross and all other similar drives were quickly over the top. What do hon. members suppose would be the results in Toronto in one of these subscription drives that newspapers, such as the *Telegram*, put on, if there were a similar response? Instead of getting half a million, in the same ratio they would be picking up two or three millions at a time.

My reason for mentioning this is not sentimental, but simply to drive home the thought that you cannot get that kind of patriotic response in a community which is brooding over some real or fancied labour wrong. It is only people who are enjoying a reasonable approach to contentment from whom action of that kind can be expected. And when you have such a reaction to the various movements you can be reasonably sure that there is no serious labour trouble or threat of labour trouble in the neighbourhood.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I must remind the hon. member that he has spoken for forty minutes.

Some hon. MEMBERS: Go on.

The ACTING CHAIRMAN (Mr. Fournier, Hull): With the unanimous consent of the committee.

Mr. MAYBANK: I thank you, Mr. Chairman, and the members of the committee.

Now I wish to speak in a little more detail upon the subject of costs. I would not be talking about costs if it were anything in the nature of a close decision, if it were a question of just a few dollars one way or the other. You may notice that I speak positively; well, I confess that is a matter of rhetoric rather than of knowledge. I am not claiming for myself the knowledge of an expert in this matter. Perhaps it would not have been necessary to say some of the things I have said to-day in the way of statements of fact if the Crabtree-Dunning company had laid all their facts on the table, but that of course has not been done.

I had some figures in my possession last Wednesday and Thursday but I did not wish to say very much about them because I was a little afraid that they might have come from some biased source. They did not, as a matter of fact, come to me from any biased source, but you can never tell where that sort of thing starts. So I spent two days—I think it was Thursday and Friday and part of Saturday—going about trying to get unprejudiced and impartial statements of fact.

I suppose we do not realize that we always buy coal by what is called its B.T.U. value, rather than by the ton. We may ask a dealer to send us a ton of coal, but in point of fact what we buy is heating value, in other words B.T.U's. Lignite coal of the kind Engineer Wharton says is most suitable if it were used, costs at Winnipeg $3.50 a ton, its B.T.U. content being 7,400 to the pound. The bituminous coal costs $8.15. I I am making any error I am making it in favour of the bituminous coal. The B.T.U. rating of that coal is 13,000; in other words, the heat value of the bituminous coal is almost, but not quite, double that of the other coal.

On that basis the cost of a million heat units obtained from the lignite will be 23·5 cents, and the cost of a million heat units from the bituminous coal, 33·6 cents. This ratio alone would strongly indicate that the lignite is very much cheaper. But we should not jump to the conclusion that that is quite the correct comparison; for there is always some loss of heat in the use of any kind of coal in a furnace, and more with lignite than with bituminous. The remaining heat value is referred to as such and such a percentage of efficiency. For example, you might say that one coal burns with 75 per cent efficiency and another with 68 per cent efficiency, and that has to be taken into account as well as the other factors I have mentioned.

I went to an engineer and posed a problem to him, and I had his answer checked afterwards by others. I am going to lay it before you just to let you know that there are some engineers at any rate besides those I have been speaking about who are able to figure costs. I said to him: "Suppose you get these two coals at these two prices, and suppose you have a 216 million pounds production of steam"—I chose that figure because I understand it is about the production at full capacity for one unit in this plant, and there are ten such units. "Then," I said, "assume these two ratings, B.T.U.'s 13,000 and 7,400." The efficiency that we find in most of our Winnipeg plants is 73 per cent for the bituminous coal and 68 per cent for the lignite. "Assume," I said, "these efficiencies, and what will be the cost in each case per 1,000 pounds of steam?" The answer came back—and I have had it checked in half a dozen different places—40·3 cents per 1,000 pounds of steam with the bituminous coal and 33·8 cents with the lignite—an advantage in the neighbourhood of 25 per cent for the latter.

If you stop there you find that the total savings is $140,000 a year. But do not take that at once, because that is based on the assumption that the plant would be in operation at full capacity three hundred days a year. This is decidedly unlikely, so the saving would not be that great. And here another point comes into the picture. Apparently the plant is to be increased by nearly fifty per cent. If that is so, then you can stand upon the $140,000 saving. At any rate the saving would amount to a good deal of money. That is all we need; the saving to be effected amounts to a lot of money, and money in that amount not saved is a prodigious waste.

There is another way of looking at that. In putting out their tender they said they wanted about fifty thousand tons of coal, meaning bituminous coal, the total cost of which would be about $407,000, while the total cost of lignite with the same B.T.U. value would be $333,000. So it will be seen that the total amount of money to be saved is very considerable, and that is all I want this committee to understand. It seems to me that we as members of parliament should care about that. We are dealing with the purse of the people; we have the responsibility of saying whether or not the purse strings will be loosed and the mouth of the purse left open so that the money is scattered on the ground unnecessarily. It is savings of this kind that have caused so many industrial plants in western Canada to change over to the cheaper fuel. The plants that have not changed as yet are doing so just as quickly as their financial condition will permit.

Now I come to a completely different aspect of this matter. I have mentioned that there may be a coal shortage and that it is important to conserve railway equipment. I now wish to read a letter addressed to Mr. H. B. McKinnon, chairman of the war-time prices and trade board, under date of February 3, signed by Mr. F. G. Neate, technical adviser to the fuel administrator, who says:

Dear Mr. McKinnon,

Following our discussion at the board meeting of Wednesday last regarding the question of fuel requirements for the cordite plant now being erected at Transcona by the Allied War Supplies Corporation, I have now had an opportunity of reviewing this matter with officials of Canadian Industries Limited.

Canadian Industries Limited; Defence Industries Limited; Allied War Supplies Corporation—they are all pretty much the same so far as this part of the picture is concerned. Naturally they are all working in fairly close cooperation.

As the coal administrator pointed out to the board, we should permit no wasted transportation effort in these times by the haulage of coal for longer distances than are necessary. The proposal to supply this plant with coal from Alberta bituminous mines situated some 850 miles from Winnipeg when fuel from areas under 300 miles from Winnipeg is readily available does give some cause for concern.

It is suggested that Mr. H. R. MacMillan, chairman of the war requirements board, should be informed of this situation and immediate inquiries be made to determine whether or not it would be possible to secure a suitable fuel from areas closer to the Winnipeg market. It is not likely that the Allied War Supplies Corporation will make any move to correct this situation unless directly requested to do so by government.

It will be seen what is apparent in the background there. The fuel controller's office, having in mind the carrying out of the policy of the government, had conversations with these people in an attempt to persuade them

to act reasonably in this matter. A report was made to the war-time prices and trade board with regard to the situation, and after that Mr. Neate put into writing and sent to the board substantially what it was thought should be done. To that letter Mr. McKinnon, chairman of the board, replied under date of February 8, as follows:

I was unable to bring before the board until yesterday yours of the 3rd instant regarding the matter of fuel supply for the plant now being erected at Transcona.

We are not quite clear as to why the chairman of the war requirements board should be communicated with, rather than the head of the Allied War Supplies Corporation (if I remember correctly, the Hon. C. A. Dunning). It was the feeling of the board that a letter should go on behalf of the administrator to the Allied War Supplies Corporation, pointing out the desirability of using the fuel so readily available from the Saskatchewan field.

In other words I think it is fair to say that in effect this letter states: "We agree with your representations regarding this matter. We agree that something has to be done with the Allied War Supplies Corporation. The only point of difference is that we think you ought to short-circuit it and get at them quickly, instead of wasting time by making a triangle out of a straight path. Do not go to Mr. MacMillan and get him to go to them; go to them directly and get them to make the change."

Pursuant to that advice Mr. J. McG. Stewart did write to the corporation directly, under date of February 12. He of course was not aware of the letter I have read to this committee, signed by W. H. Wharton, in which it was stated that the matter had been closed in September. Certainly it was closed in January. They probably told him that they desired to continue to cooperate with him, or at least that they desired to cooperate. Addressing his letter to Mr. Harold G. Crabtree, president of this organization, Mr. Stewart said:

I have had occasion lately to review the question of the coal supply for the new cordite plant being erected by Defence Industries Limited at Winnipeg.

My technical adviser, Mr. F. G. Neate, has been in touch with Mr. Wain, the purchasing agent for Defence Industries, by correspondence and on February 1 had personal interviews with both Mr. Bowen and Mr. Wain.

The point involved is the type of Canadian coal that should be used, and as a corollary, the stoking equipment that should be ordered. I have been informed that the stoker equipment under consideration at present is adapted to burning Alberta bituminous coal but is not adapted to burn the Saskatchewan lignite effectively and it is precisely in this connection that I would draw your attention to several pertinent facts.

First of all, it has been shown by the experience of several industrial plants in

[Mr. Maybank.]

Winnipeg that Saskatchewan lignite if burned in the proper equipment can produce steam at a cost as low as, if not lower than, any other coal under the prices prevailing in the Winnipeg market at the present time. Possibly this condition might also obtain at the plant you have under construction.

Of course it would, because the plant is right at Winnipeg.

Secondly, the railways throughout the west are practically dependent on the Alberta bituminous coal mines for their fuel and the railway fuel situation throughout the west, while not acute, is not any too easy at the present time. I cannot contemplate the diversion of some thousands of tons from the railway field without misgiving if other satisfactory fuel is available.

Thirdly, in view of the constant growth of our national war effort, an ever-increasing strain is being thrown upon our railway facilities. The questions of staff, locomotives, cars available, et cetera, are undoubtedly becoming of more serious import from month to month. From this point of view it would seem uneconomic to haul coal some 850 miles from the Alberta bituminous fields to Winnipeg when lignite can be secured from the Estevan area some 290 miles away. The saving to the national effort in the more efficient use of the transportation facilities would certainly be considerable.

With these three points in mind, I would ask that your engineers be instructed to make a full investigation of the possibility of using Saskatchewan lignite in this plant.

I understand that there are several modern plants in Winnipeg using this fuel with complete satisfaction and I will be glad to write them and request that your engineers be allowed to inspect the layout and costs in order that they may be fully informed.

I will also be glad to cooperate in any further way, but before closing would again urge you to use your best offices to see that no definite commitments are made to any other fuels or equipment until a full investigation has been made. If, after this investigation, the facts show that Saskatchewan lignite can be used in a satisfactory manner, I trust you will give due weight to the arguments noted above.

Naturally there was a reply to this letter, and it was made on February 11 by Mr. Crabtree, who said:

I acknowledge your letter of the 10th, having reference to the advisability of our equipping the cordite plant at Winnipeg to burn lignite.

I am pleased to be able to tell you that this situation is having our careful consideration, and for your information I am enclosing herewith copies of letters that I have written on this same subject.

I have not those copies, but I can tell you roughly what they said. They were simply letters addressed to certain people indicating substantially the same thing, namely, that consideration was being given to the matter, that they were sympathetic and all that sort of thing. The reply continues:

Your technical adviser, Mr. F. G. Neate, has also spoken to me in regard to the matter and the first time I am in Ottawa I hope to see him and discuss the situation.

You may rest assured that we are very anxious to cooperate in any way we can in this matter.

I have this comment to make. If men of this sort would only learn to be candid, would only learn to study the facts, would only learn to say, if, as and when they make a mistake that a mistake has been made, they would advance much further, they would get along much better with their fellow men, and their fellow men would have more confidence in them.

In order to complete the record I should like to read a telegram. In spite of the reply which I have read, dated February 11, Mr. Stewart, the coal administrator, had to follow up with a telegram dated March 12, which reads:

Reference use Saskatchewan lignite Winnipeg project. Arrangements should be made to instal equipment capable of utilizing this particular fuel. If unsuitable equipment is installed greatly fear use of Saskatchewan lignite will be jeopardized. Understand suitable equipment available for prompt delivery if ordered now.

In spite of that letter from Mr. Crabtree those people were not giving any cooperation, and they did not intend to give any. There has never been any cooperation from them from start to finish of this matter. As I said earlier, they proposed to have their way regardless. This introduces the consideration of certain difficulties which we are experiencing in getting cooperation among persons who are coming in from different industries to lend their services, cooperation among these so-called dollar a year men. There has been real difficulty in this regard, and this is a good example.

In setting up this expenditures committee a little while ago the Prime Minister said that it would have power to examine into all these things, but not to impinge upon government policy. I think everyone agrees that that is sound. But here is the fuel administrator endeavouring to carry out government policy when the actions of Dunning and Crabtree and people like that in this Allied War Supplies Corporation Limited impinge upon the carrying out of government policy. They will not carry out government policy, and they will not let any one else do it.

A while ago I said that some difficulty had been experienced during the last war in connection with coal. Despite the large amount of coal we had in Canada, there were actually ships on the Atlantic seaboard which could not be bunkered and coal was brought from Cardiff to bunker them. I see the hon. member for New Westminster nodding his head; I was sure he would support me in that statement. We know that our railroads need bituminous coal now. The situation is not acute, but they need it. In the last war we just skirted ahead of real need, both before and after the United States came in. Several conferences were held during the last war in an effort to conserve the coal of this country and to try to get coordination among the producers and the users of coal.

Having this in mind, the government very wisely appointed a coal administrator some time ago to direct the use of coal. But then an organization, the one I have mentioned, comes along and pays no attention to anything the fuel administrator says. From the point of view of responsible government it is important that these people should be directed to do what should be done. In fact I think the whole matter of control should be placed in the hands of the fuel administrator or under some board—they could buy, handle and distribute the coal. We have to get down to zoning these supplies, we have to get down to having something in the nature of rationing. There will have to be some person to say what can be used, and his word will have to be law, subject to the control of the government.

I wish to direct your attention again to the letter of February 11, which I have read. That letter was not a frank statement, which fact is proven out of their own mouths. Earlier I read what the engineers had said as to the lignite being out of the question—that we might as well forget about it. It was said that lignite could not be used. But at this late date Mr. Stewart, the fuel administrator, is told that the matter is still receiving consideration. How can it still be receiving consideration when the equipment to burn bituminous coal has already been ordered? How could they be giving consideration to burning lignite coal when the equipment already ordered was not suitable for burning lignite coal? He was just pulling Stewart's leg, that is all. Does that mean that he will deliberately order a kind of equipment that is not suitable for burning lignite coal, and that even while it is being made he decides to burn a coal that is not suitable? Surely the man is not silly enough to do that sort of thing. No man would buy a shovel for mixing cake; and if a man has a shovel on order, he will not aver that he is getting it for the purpose of mixing cake.

Just a little while ago, when I was talking to Abbott—I told the committee about that —the statement was made by Abbott that the company would burn lignite coal with this unsuitable equipment. I am not denying that it can be done. No one will deny that. But what all will agree is that the equipment is not suitable; it is not the right thing. No person will do it deliberately, but it is done in certain places for a peculiar set of reasons.

He said: "We have decided to use as high as 40 per cent lignite." Then he went on to say that they would use as high as 80 per cent lignite. Of two things one is certain. When these people come forward promising, as the minister himself stated the other night they had promised, that they will burn up to 80 per cent lignite, either all the objections they have urged against the use of lignite go by the board, or else they are not bona fide in their promise. It must be one or the other. Either all their objections go by the board, or they do not intend to carry out their promise. I suppose there is another possibility; that they are not limited to those two horns of the dilemma. It may be that the two alternatives I have named are both correct; one thing is certainly true that they have not been bona fide throughout.

In order that lignite coal may be burned in the manner I have described it is mixed with bituminous coal. What does that mean? It means that they would add the expense of mixing probably 100,000 tons of coal by hand, shovelful by shovelful, in order to get a good mix. All that just adds to the expense; and instead of making the saving that they otherwise could have made by using lignite coal, that saving will be to a considerable extent wiped out by this additional labour which they will deliberately bring into play. If they could save money by using up to 80 per cent, why cannot they save by using lignite up to 100 per cent?

The only people who mix bituminous and lignite coal are those who do it under circumstances such as these, for instance. There is, in Winnipeg, a large central heating plant, one of the really large ones of the country, but they put in their equipment originally to burn bituminous coal before this lignite coal had such an established place on the market. Then lignite coal came on the market and they found that anyone burning lignite got his steam cheaper. These people had to find some way to cut their costs; while it was not satisfactory to burn a mixture of lignite and bituminous in the equipment they already had, nevertheless they went ahead and mixed the two coals because they could save a little money that way, and then, as finances would permit, they would switch from the equipment they had bought originally until they had the new type of equipment entirely. They are making that switch unit by unit. Every time they make a switch they get the new equipment for burning lignite coal, and by that method they are saving a great deal of money as fast as they can.

An industrialist sometimes finds himself in the position of burning bituminous and of seeing a competitor put in new equipment and burning lignite coal. He cannot himself change over immediately, and so he mixes the coal in order to try to keep up with his competitor. It is only in such circumstances that these two kinds of coal are mixed. Everybody else naturally keeps away from mixing the two coals.

But these people—Allied War Supplies Corporation—are proposing to mix the coal. They finally come to promise that, when people put pressure on them. I go back to the statement I made before either that this promise which they are now making, under pressure, to burn lignite coal is not a bona fide one, or, if it is, it wipes out every objection they have ever made to the burning of lignite coal. Probably both these propositions are correct.

In support of what some people have said, I should like to read an editorial on the subject; an editorial not particularly in my favour. The Winnipeg *Free Press*, dealing with the question wrote under date of March 13, what I think everybody will admit is a sound editorial. It said:

> The big chemical plant being erected east of Winnipeg will use a very large amount of coal, and the question of the type of coal that should be used has been raised. It is understood that the installation of equipment for the use of bituminous coal is contemplated, although it is well known in business circles here that that type of stoker has been increasingly replaced in recent years in this city by equipment for using the cheaper lignite coal. The economy is so great that the change has been made, or is being gradually made, by nearly all large users of coal in this district.
>
> This equipment costs more than that for using bituminous coal, but the difference is a matter of dispute, and what it would be in the case of the chemical plant is for experts to say, as is the question of the relation between that difference and the saving through the use of lignite.

That is as far as I need read. I wanted to quote that last sentence, that it is a question for the experts to decide. I do not think anyone would disagree with that, generally speaking, as a sound piece of advice. But here is the picture to keep in mind regarding the experts. Last January or last February I wrote to the Minister of Munitions and Supply about this matter, telling him that the present situation ought to be guarded against. I know that he dealt with the matter. I also know that at that time he was extremely busy because it was just after he had returned from overseas, and when he inquired into the matter I have no doubt that certain things were told him which caused him not to look into it any further. As a matter of fact, he must have been dealing with it back about January because about that time Wharton

wrote the letter that I have read to the committee. In spite of that letter, in spite of what may have been said between the minister and Mr. Crabtree, in spite of the decisions they may have made, Mr. Crabtree told a colleague of mine in this house on or about February 25 that this question was still open, that they were approaching it with a completely open mind. Then two days later, after the engineer wrote, his man Abbott told me and that same colleague that he could not understand how Crabtree could have said that; that Crabtree knew the facts; that this matter was settled long ago, definitely settled beyond being raised again, and that he could not understand how Mr. Crabtree could have made that statement. In spite of the fact that Wharton wrote to the effect that lignite could not be used, Abbott told us in that interview that they were going to use lignite to the extent of somewhere between 40 and 80 per cent. I could not help feeling, as I still feel, that there is something pretty rotten in the whole situation. When I reviewed a set of facts like that, I could not help feeling that these people were being a great deal less than frank.

The same story is in the correspondence I read to the committee. The representative of the fuel board deals with these people and apparently finds them intractable. He takes the matter up with the prices board, and they arrange to write a strong letter on the subject so as, in any event, to put themselves on record. They do so, and they give cogent reasons why these people should use lignite. It is in accordance with government policy that they should do so, because it is in accordance with government policy to save fuel and rolling stock. Even then Mr. Crabtree says, "We are giving consideration yet to that matter." By inference, from the letter I read, there is still an "open door." It was not until about a week or so ago that I learned definitely, conclusively, and, one might say, for the last time, that Crabtree's engineers are apparently "already"—that is the expression—"too far committed." If that is not the story of an irresponsible organization playing ducks and drakes with you, then you tell one.

They are not too far committed, Mr Chairman, to do what is right. They must be made to do it. They can get the equipment. If they have already ordered their other equipment, they can do one of two things. They can take it and sell it at some loss, or they can cancel the order and pay some loss. The savings will more than make up for any loss so incurred. Indeed, that is one of the points they make, that this other equipment they have ordered has salvage value. They can get something for it. Well, let them get something for it; it will have all the more salvage value if they dispose of it now while it is new. Let this organization, however, now do what is right with reference to the policy of the government of Canada and show a proper regard for the money of the people of the old country which we have in trust.

Mr. TUCKER: Mr. Chairman,—

Mr. HOWE: Mr. Chairman, I demand the right to reply.

Mr. TUCKER: I wish to say just a word or two before the minister speaks.

Mr. HOWE: The hon. member can speak after I have replied. After listening to this for three hours, I think I have the right to reply.

What in effect my hon. friend has been doing is taking the time of the committee for three hours to sell Estevan coal. That is the basic fact we have to start with. In doing so, he has attacked the probity of two men who need no defence in this chamber—one, the Hon. Charles A. Dunning, and the other, Mr. Harold Crabtree.

I am not going to argue that the Hon. Charles A. Dunning is a patriot and a man of probity. I do not think that is necessary with regard to a man who has sat in this house and occupies the place in public life which the Hon. Charles A. Dunning holds. I am not going to defend the probity or the honesty or the patriotism of Mr. Harold Crabtree. I can say that, for the last year, without salary, he has given his time and has worked harder than any man should work in conducting the organization of which he is the head.

My hon. friend says that this company is not competent to build an economical plant for the production of explosives.

Mr. MAYBANK: I never said that.

Mr. HOWE: That is the implication. These people are not building a coal-burning plant; they are building an explosive plant. Now let the hon. member sit down.

Mr. MAYBANK: May I rise to a point of order.

Mr. HOWE: No; there is no point of order.

Mr. MAYBANK: I rise to a point of order.

Mr. HOWE: I do not yield.

The CHAIRMAN: The hon. gentleman has raised a point of order.

Mr. HOWE: What is the point of order?

Mr. MAYBANK: The point of order, Mr. Chairman, is this. No hon. gentleman may misquote another; and the hon. gentleman has definitely misquoted me. I ask him to withdraw. That is my point of order.

Mr. HOWE: Mr. Chairman, I think it is a fair summary of the hon. member's remarks that he said that something very uneconomical is being done in designing this cordite plant. I see no point of order there. If the cordite plant is economically designed—and I think we must assume that the people responsible are designing it to the best of their ability—we can reasonably assume that the remarks which my hon. friend has made, taking over three hours of the time of the committee, are themselves very much out of order. Either the plant as at present designed is economical, or it is not.

As I have said, the problem at Winnipeg is not to build something for the burning of a certain type of coal. That is incidental to the problem. The problem is to build an explosives plant. I know something about building plants for a special purpose. I have spent all my life at such work. I know that in building a grain elevator there are certain practices which, although they do very well for other industries, are not economic when applied to a grain elevator; and the power part is very much a case in point. People have accepted my judgment with regard to the matter because I had the reputation of being able successfully to build grain elevators.

Similarly, when we are building an explosives plant we go to people who have a reputation for being able to build, successfully and economically, explosives plants. I may say that two explosives plants built by this organization, Allied War Supplies, with their experts, Defence Industries Limited, are in operation and producing cordite cheaper than any other plant on this continent. That, I think, is something to the credit of those responsible for the operation.

The production of explosives has several peculiarities which it is well to note at this stage. One of them is that the dangers from explosives are related very closely to the degree of cleanliness which is maintained in a plant. Those hon. members who have ever visited an explosives plant know that before you pass into the operational part of it you are required to take off your shoes, to go over the operational part bare-footed, or to put on other shoes which are furnished to you and which are never allowed to pass out of the explosives part of the plant. So much for cleanliness, and I might say that practically every explosion which occurs in an explosives plant is caused by carelessness on the part of the workmen, in allowing something unclean to develop in the plant, permitting dirt to accumulate, or cordite or some other explosive to drop on the floor from a barrel or some other receptacle.

The problem of cleanliness is definitely related to the coal supply. It is reported in the correspondence that pulverized coal cannot be used on account of the danger of sparks and the dust resulting from the coal. It is true that lignite is a cheap coal, very economical for certain purposes; but it is also true that to get the same amount of heat from lignite as from Alberta bituminous coal, twice the volume has to be burned. It is also well known that lignite will not stand storage particularly. It breaks down quickly to slack coal, much more quickly than does Alberta coal; and it is known further that lignite in the slack form, that is, the dust of lignite, has the same objections that pulverized coal of any kind has, in that it is a distributor of dust and ash.

The problem, I know—it is obvious from the record—was thoroughly studied, because every possible pressure was brought to bear upon the company to use lignite. Those responsible for the sale of lignite have, in my opinion, exhausted every possibility that could be thought of, including pressure upon the fuel controller, and that part has been quite thoroughly done. Knowing these facts, the board of directors of Allied War Supplies Corporation have still come to the conclusion that the course they are pursuing is the proper one. Nothing could have been overlooked in the matter, because it is obvious from the record that every fact in connection with the problem was brought to their attention.

Someone may ask, what do you know about the problem? I know very little about it. I was in Europe when it was being discussed. I went to England, having left Ottawa on December 4, and I returned to Canada in the last few days of January. The matter was called to my attention then by the same agencies that have raised it in the house, and I called Mr. Crabtree to Ottawa, or at least asked him to discuss the matter with me on the first occasion on which he was in Ottawa. He came with a technical expert, and we discussed the relative merits of lignite coal and bituminous coal for that locality. We discussed the matter for the best part of an hour, and in that time Mr. Crabtree reviewed all the facts that had been presented to him and gave the reasons why he had come to the conclusion that the equipment being installed was the proper equipment for the purpose. As I said in the house

earlier, he did not close the door upon burning a portion of lignite in the grates, and the reason for that is that if coal can be transferred direct from the cars under the boilers, there is not the same danger from dust that there is if the coal has to be stored for a time. I pointed out to him at the time, however, that it seemed desirable to use coal from the lignite field, if only from the point of view of coal conservation. He said he agreed with me entirely and it was their intention to do the best they could in that direction, but there were limits beyond which, in his judgment, they could not go. After the study which I knew he had given the matter; after the expert type of opinion which I knew he would obtain, I saw no reason for pursuing the matter further.

A forum has been set up in which this matter can be properly considered, namely, the committee on economy. The advantage of that committee is that Mr. Crabtree can be there and refute any statements such as the ex parte statements made in this house. His experts can be brought before that committee. The Estevan coal people can bring their experts, and the committee can decide the case with the fullest possible technical information before them.

I suppose that if I had time I could make myself sufficiently familiar with all the facts in this case to discuss each item that has been taken up by the hon. member. Frankly, however, I have not the time to do it. I have gone into the matter sufficiently to satisfy myself that every factor was taken into account, that expert opinion was brought to bear on it, and that the action taken by Allied War Supplies Corporation followed the advice of their expert opinion. I may say that these were not street-corner opinions. They were the opinions of men who were paid to give their expert advice on the problem. They were the opinions of men who were qualified, by success in fuel engineering, to give advice. I know that the advice of the national research laboratories was brought to bear on the problem, as it is on all problems involving coal purchased by the Department of Munitions and Supply or by any officers responsible to that department. I know that this opinion was available to Allied War Supplies Corporation and that it was used accordingly.

That is all I wish to say on the matter. It is not my duty to say to the committee on economy what cases they should hear or when they should hear them, but I express the opinion that it is desirable that the committee should see whether economies were overlooked in this particular case, having in view the exacting requirements in connection with the manufacture of explosives. If the committee, after examining into the situation, report to the house that there has been failure to carry out economy in the transaction, even though it is wholly for the British government, I shall be glad to take corrective steps at that time.

Mr. HANSON (York-Sunbury): I do not desire at this stage of the proceedings or at this late hour of the afternoon to enter into any part of the controversy between the minister and one of his followers; but there is a larger aspect, with respect to the establishment and situation of this cordite plant, to which I direct attention for a few moments. Why was this plant located 2,000 miles from seaboard?

I have made some investigation. We have, according to the minister's statement, a commitment of something over $9,000,000, all for the account of the United Kingdom, and I understand the plant is to be increased substantially, so that before this plant is finally completed and in full operation there will have been a capital expenditure of between $13,000,000 and $14,000,000. That is a great deal of money.

The raw materials for cordite are four. First, there is cotton lintos, which is the odds and ends of cotton. This is imported from the United States and is, of course, as easily available to Winnipeg as to a site on seaboard. I understand that plans are under way to make use of wood pulp in substitution for cotton.

The second ingredient in the manufacture of cordite is nitric acid, which is made at each explosive plant from ammonia. At the present time there is a contract for the supply of ammonia from the United States. This contract will expire shortly. Plants are now in operation at Trail, British Columbia, and at Calgary, Alberta, making ammonia from air.

The third ingredient is sulphuric acid, which is being manufactured from smelter gases given off in the refinement of nickel and copper and from iron pyrites. These sulphuric acid plants are located at Copper Cliff and Valleyfield in the eastern townships.

The fourth item is nitro-glycerin. Glycerin is a by-product obtained in the manufacture of soap. The large soap manufacturers are Procter and Gamble and Lever Brothers. The soap manufacturers make use of domestic animal fats and vegetable oils.

I am advised that the capital cost of the location of this plant at Winnipeg was increased some $500,000 because of the necessity of taking certain material parts there and for other reasons. But the gravamen of the charge against the location at Winnipeg is based on this, that all the product of this

plant has to be transported from Winnipeg 2,000 miles to the seaboard before it can be shipped overseas where it is to be used.

Mr. HOWE: No; it is used at the shell-loading plant at Pickering and de Salaberry.

Mr. HANSON (York-Sunbury): I understand that part of it has to go to the seaboard. I have that from a source very close to the operating company; I am not going to give any further information on that. If we assume, however, that the minister's statement is correct—and I am accepting it with the utmost good faith—the annual transportation charges on the product of this plant will be substantially increased by reason of the fact that the plant has been located at Winnipeg.

I sympathize with the people of Manitoba and the city of Winnipeg in their desire to get industrial plants located in their jurisdiction. That is most natural; it is something that has been contended for in this house by representatives of the different sections of Canada. *Per contra,* in the location of these plants consideration must be given to the economic situation. I suggest to the minister that the location of this plant at Winnipeg is uneconomic from the point of view of transportation and will, for that reason, increase the cost of the product being manufactured there.

I should like to ask the minister that at a little later stage, if he cannot do it to-day—not necessarily on the discussion of this resolution, because I had hoped that would soon be through—to answer these questions:

1. Why was the plant located at Winnipeg?

2. Is it true that D.I.L. recommended against locating the plant at Winnipeg?

3. Is it not true that Allied War Supplies Limited preferred to have this plant located nearer the seaboard?

4. Is it not true that the minister overrode all these recommendations and insisted that this plant must be located at or near Winnipeg?

5. Will the minister lay the reports, if any or all are in writing, on the table so that we may examine them?

That is all I have to say about the matter.

Mr. HOWE: I can answer these questions at once. We have in the department a policy that, as far as possible and reasonable without undue cost, plants will be dispersed out of the industrial areas. This plant was of a type that could be so placed. Naturally, under the present conditions of agriculture in the west, it would be to the advantage of Canada if we could change over some of the manpower of that section from agriculture to war munitions work.

Two plants have been located. I may say these plants are large users of power and must be located where large blocks of power are available; I think the one in Winnipeg uses some 20,000 horse-power, something of that order. The first plant we located in the Parry Sound area where a large explosives plant had been built during the last war. The second plant we located at De Salaberry island where power and an adequate labour supply were available.

The engineers of the company looked round for available locations for the three plants, and recommendations were made. Perhaps I should not tell the committee; it may get me into trouble, but a location was suggested which would have suited me very much better than the one chosen, as far as I was personally concerned. The Winnipeg location was mentioned. It was definitely felt that it would not be wise to put further explosive plants in the provinces of Ontario and Quebec. We had to take into account the fact that practically all the necessary raw material that required transportation in bulk originated west of Winnipeg. There were small quantities perhaps to be brought from the east; I think we have not yet located a plant that did not have some back haul.

The purpose of this explosive plant was primarily to supply the shell-loading plant at Pickering near Toronto, and the movement of materials was a straight line movement towards the seaboard to that plant at Pickering. Of course we locate these shell-loading plants so that we can funnel in all the components that make up the loaded shells without back haul; that is, haul away from the direction that the shell must ultimately travel. As I remember the picture, I think my hon. friend is right in saying that the capital cost at Winnipeg was about $500,000 more than it would have been at De Salaberry. I think, however, he is not correct when he says that the operating costs are higher.

Mr. HANSON (York-Sunbury): I said the transportation cost; I did not say anything about operating costs. The second point I made was that the transportation cost would ultimately be increased by reason of the long haul from Winnipeg to the seaboard.

Mr. HOWE: I doubt if that is true. I have not seen the report for a long time; as a matter of fact, the recommendation to locate at Winnipeg was not mine at all; it was made to me by a committee of our officers that was functioning at that time. As I say, a recom-

mendation was of a site somewhat closer to my home, and this was the second. There was little to choose between the two as to physical characteristics. The only opinion I cared to express was that of the two I would prefer to have it located at Winnipeg because I believed there was a better labour supply there, and economic reasons why that was the more desirable location of the two offered. As far as my intervening in the matter or taking any initiative in having the plant built in Winnipeg is concerned, I did nothing of the sort. I do not know what correspondence I have on the subject, and I do not wish to get in the habit of bringing down the reports from my own officers. I speak for the Department of Munitions and Supply as a whole, and it is not customary and, of course, is not required by the rules of the house that internal departmental reports be brought down to the house. I will, however, look into the matter and see whether it is in the best interests of the business of the house to bring down those reports.

Mr. TUCKER: First, I wish to explain why I intervened in order that the hon. member for Winnipeg South Centre should have a chance to lay his whole case before this committee. For some days now we have listened to charge after charge, general charges made repeatedly of extravagance, partisanship and so on, without any facts whatever to substantiate them. Days have been so wasted; and although the charges have been answered and answered and the people making them have been asked to bring forward facts in support of them but have been unable to do so, yet the effect has been that the people out in the country are having their confidence shaken to some extent as to the manner in which the war effort is being administered.

If a member of this house brings up a definite, concrete case like this, it seems to me he should be given every opportunity to lay it before parliament, and there should be no attempt to prevent him from doing so. That is particularly true, because of the peculiar nature of the present situation. Ordinarily, if a government department is going to spend money, an appropriation must come before parliament and be granted. In this case, however, a wholly government-owned corporation is spending money, or undertaking to spend money, without that money having been specifically appropriated. Therefore, if this committee is to do anything other than hold post mortems, we must do exactly what the hon. member for Winnipeg South Centre has done; we must lay the facts before the government and ask for the best possible consideration of them before action is finally taken.

What I had intended to say, had I been permitted, was this. I was going to ask the minister not to regard the remarks of the hon. member for Winnipeg South Centre as an attack upon those administering the Allied War Supplies Corporation, and to request that, every time something is questioned in regard to these government-owned corporations, he should not feel called upon to immediately come to their support on the floor of this house. The greatest patriot and hardest working man in the world, even if he works for a dollar a year, may make mistakes. Surely it is the duty of members of this house to bring these matters in all good faith to the attention of the government, which I know desires to see that its agents make as few mistakes as possible. If hon. members are not to be permitted to discharge that duty without being regarded as enemies of the government or as making attacks upon the patriotism of people whom we all admire, then members will be definitely discouraged from doing that which they are sent here to do.

That was why I wished to say a few words in this connection. I am sorry the minister did not let me say a short time ago what I was going to say. I was about to beseech him not to take the attitude that, in fact, at the commencement of his remarks, he did take. I have listened to what has been said by the hon. member for Winnipeg South Centre. I have no interest in this matter one way or the other, except as a member of this house from Saskatchewan.

If to-day you are actually using or likely to use all the Alberta coal that you can conveniently produce, and if there is an abundance of Saskatchewan coal, then I think the reasons advanced by the minister were insufficient. In all fairness I must admit that. If those reasons are to be accepted as sufficient for over-burdening the industry in Alberta and taking away a demand for what the industry in Saskatchewan can produce, then Saskatchewan might as well make up its mind that it is not going to get anything from the government-owned subsidiaries that have been set up. I am bound to say that. No one has greater respect and admiration for the Minister of Munitions and Supply than the member now speaking; I can assure him of that. In season and out of season I have said that, as a member of the government, he has done a good job for Canada, that he has shown himself to be a good Canadian whom we all admire and respect. I have said that every man in this house should be ready to assist him and should not bother him by carping criticism or general criticism which does nothing but raise doubt and suspicion. When, however, some of the servants or agents of the government

of this country, servants of the people of Canada, are suspected of having made a mistake; or, as appears to be the case here, when they may have been too greatly prejudiced by their past connections and may not have carried out the policies of this government, should this government not welcome one of its supporters rising in his place and saying that this man has perhaps made a mistake; that what he did was in their opinion, not right; that the minister should look into the matter? This should, however, not be done after the action has been taken and the mistake made. I was surprised to read in *Hansard* this remark by the minister:

> If the committee cares to bring down a report to parliament that there has been wasteful expenditure in connection with this installation, I shall be prepared to accept the rebuke and take the responsibility.

No one in this house wants that situation to develop, so that when some servant of this government makes a mistake, the minister, hard-worked as he is, must take the rebuke and the government must take the loss. That is not the way in which parliament should work. If that is all we are going to be able to do here; if we can only hold post mortems and find that money has been lost, and have that constitute a rebuke to a minister, then I submit that we are not discharging the duty which the people have a right to expect of us at this time.

Without prejudice one way or the other I am bound to state that I am not convinced that it would not have been a good thing to instal, in that plant, equipment to burn lignite. The suggestion that this might create dust does not carry weight with me, because I have seen many steam plants established entirely separate from the plants for which they were providing motive power. Of course I am not an engineer, but sitting here as a member of this house, I still think a mistake will be made if equipment is installed to burn bituminous coal, for these reasons: it will be more costly; it will use bituminous coal and overload the producing capacity of Alberta while plenty of Saskatchewan coal is available; it will be more expensive to haul that coal; it will require more labour to get the coal there; it will use and wear out railway equipment when we should economize in every possible way with regard to such equipment.

I realize that the minister is in a difficult position. Unless he stands behind these people, they may throw up their hands and say, "We are not going to work if we are going to be subject to the criticism of every little member of parliament, unless whatever we do, you stand behind us." We all know the minister's difficulties, and we all sympathize with him; but we also ask him to take into consideration the position in which we, as private members, find ourselves. If there is a suggestion that some mistake has been made, surely it is our duty to draw the matter to his attention. I am convinced that he will consider such suggestions not as attacks upon himself or the government, but rather as attempts to assist in the war effort, about which we are all deeply concerned.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BLACK (Cumberland): I think it is agreed that as far as possible there should be continuity of discussion in this committee. I was sorry to see the discussion on the building of ships interrupted, but the committee has got into a discussion of the matter raised by the hon. member for Winnipeg South Centre (Mr. Maybank) with respect to the advantage of using coal produced in central Canada. Perhaps there are other hon. members who would wish to follow that discussion. I had something to say with regard to the building of ships, but I am ready to give way for the moment in order that the discussion being held prior to the six o'clock recess may proceed.

Mr. NICHOLSON: At six o'clock the hon. member for Rosthern (Mr. Tucker) was dealing with the coal situation as it affects western Canada, particularly Saskatchewan. I should like to make a few observations in connection with the discussion which has taken place. I think the minister is altogether too touchy regarding suggestions and comments coming from various parts of the house, and made with a view to having the work of his department more efficient. I think hon. members and the people of the country are convinced that the minister has a most difficult role to fill. In the information which came from the director of public information in to-day's mail there appears a list of the various departments under the supervision of the Minister of Munitions and Supply (Mr. Howe). It is inconceivable that in carrying on the administration of these various departments there should not be some mistakes. I think the people feel that, on the whole, the minister is possibly one of the best qualified men in Canada to administer the affairs of this department.

Many hon. members took the opportunity of seeing some of the work being done. A

trip of inspection was arranged by the hon. member for Hamilton East (Mr. Ross) and the citizens of that city. Many of us were able to see the tremendous undertakings which are under way. We saw plans being carried out which will transform the production of ploughshares into the production of guns. We saw great mountains of scrap being transformed into steel. We saw the manufacture of gun barrels. If I remember correctly, these were some twenty-two feet in length and we were able to see them being taken out of huge furnaces and dropped into vats of oil in order to temper the steel. We saw bomb racks under construction and radio equipment being produced, equipment which is so necessary for the carrying on of our war effort. If more hon. members would visit some of these industries, they would be more apt to realize that Canada is really carrying on an important part in the present struggle for the preservation of democracy.

After seeing what is being done in that particular district, I am sure that hon. members feel that the Minister of Munitions and Supply is doing everything humanly possible to see that the work is carried on efficiently. I hope, however, that he will also realize that hon. members are anxious that his work be carried on with as little criticism as possible. It seemed to me that the hon. member for Winnipeg South Centre presented a case which should appeal to impartial hon. members. Speaking the other night, he said:

> I do know that about eight or nine days ago Mr. Crabtree stated to a colleague of mine in this house that this question was still an open one, that they would approach it with open minds, and yet within thirty-six hours this man Abbott sat in a room in this House of Commons with that same colleague and me and told us that it was a closed book, that it had been closed for months.

Speaking the other day, the minister said:

> Mr. Crabtree believes that he would be able to burn a very high percentage of lignite coal in these boilers. I hope that is true, because we are finding it rather difficult to get supplies of bituminous coal from western Canada at the present time. The use of lignite coal at Winnipeg would have a balancing effect upon the coal situation in western Canada. Mr. Crabtree tells me that he will be able to use a considerable portion of lignite coal. He has studied the question, and I have a good deal of confidence in his statement in the matter.

Since the question was raised last week, the minister has had ample opportunity to bring expert opinion to bear upon the matter. Although he spoke at considerable length this afternoon, I still feel that the case made out by the hon. member for Winnipeg South Centre stands as a valid one. I should have liked the minister to tell the committee whether, since the question was raised last week, he had consulted expert opinion or engineers other than those who had given advice to the department on former occasions. I do not think the objection with respect to the dust creating problem in connection with explosives was well founded. The minister said that they had planned on using a considerable amount of lignite coal; but if they are going to mix lignite with the other coal, there will be a greater dust problem created than if lignite were used exclusively. I would think that the boiler rooms and the place where the coal would be stored would be at a sufficient distance from where the explosives would be made to overcome any great danger from dust that might be created by the use of lignite coal. I should like the minister to tell us who was the technical expert who came with Mr. Crabtree last fall to give him advice, and whether he has secured advice from other engineers since the hon. member for Winnipeg South Centre first brought up this question.

Mr. HOWE: I do not know that I need to give the name of the engineer.

Mr. NICHOLSON: The hon. member mentioned Mr. Abbott.

Mr. HOWE: It was not Mr. Abbott. I do not know him and I never met him. I never heard his name until it was mentioned in the house. It was a senior officer of the D.I.L. who accompanied Mr. Crabtree.

As my hon. friend knows, the D.I.L. are the designers of the plant at Winnipeg and have everything to do with it. In connection with the next question, I may say that we retain certain engineers in whom we have great confidence. We accept their advice; we do not go throughout the country shopping for engineers. We take the advice of engineers who are familiar with the problem, who are designing this cordite plant and who are competent thermal engineers. The hon. member is debating a subject here which he could very well debate in a place where the engineers could be present. A forum has been created before which subjects of this kind can be examined and before which evidence can be produced.

I have not spent enough time on this particular project other than to satisfy myself that the matter is being handled competently. I have not posted myself on the technical data that must decide the matter. It was not last autumn that this subject was raised with myself; it was only since I got back from England some time in February. At that time the matter was called to my attention, and I called Mr. Crabtree and one of his engineers to discuss it. They had the reports that had been made to them, and I

looked these over hurriedly. I am really not in a position to debate this question. As I say, a forum has been created where all the engineers who have had anything to do with this project can appear and where the proper information can be obtained. I urge strongly that it be left to the committee to decide whether or not this project has been carried out economically. I know I do a good deal of criticizing, but I would ask hon. members: Is this a subject of national importance? The real question now being discussed before this committee is whether we shall use coal produced in Alberta or coal produced in Saskatchewan. Is that of great importance to the people of Canada? On the question of value the matter is very close. There are no thousands or millions of dollars to be saved. There is no great sum involved.

Mr. NICHOLSON: The hon. member said that there would be a saving of $140,000 a year.

Mr. HOWE: He is mistaken. I can say dogmatically that there is no such sum involved. Further, I can say definitely that the sum involved is not large. I believe that D.I.L. are correct in the opinion which they have given officially and on which they stake the reputation of their company, that the course recommended is the proper one from an engineering point of view. Of course engineers have been known to leave out certain factors that might have been considered, but I do not think they have done so in this case because there has been enough pressure from the lignite coal operators to ensure that every factor which could be produced in favour of lignite coal was considered. Is it, I ask, of great importance to the people of Canada from coast to coast whether this coal comes from Drumheller, shall we say, or from Estevan? That is the question before the committee, and I do not think it is of extreme importance. To tell the truth, I think too much time has been taken up in the discussion of this particular question, and the cost to which the country has been put in keeping this House of Commons going while debate on this question has been going on would, I believe, outweigh any saving there might be one way or the other.

Mr. EDWARDS: Mr. Chairman, on Monday, March 10, the hon. member for Bow River (Mr. Johnston) in the course of his remarks on this resolution made a statement which will be found at pages 1384-85 of *Hansard,* with respect to a vital and important part of the war effort initiated by this government, namely, the war savings certificates campaign. His statement was grossly misleading and falsely represented the stand and position, with respect to the war savings certificates campaign, of the members of the Independent group comprising the official opposition in the Alberta legislature, which is now in session. The hon. member, either in his ignorance of the facts, or else with the deliberate intention of placing a false face upon the facts of the case, stated—

Mr. JOHNSTON (Bow River): On a point of order, Mr. Chairman, I should like to know what the hon. member is reading from.

Mr. EDWARDS: I am reading from my notes.

Mr. JOHNSTON (Bow River): On a point of order, Mr. Chairman, the hon. member is imputing motives. He said that I deliberately placed a false face upon the facts. I demand that he withdraw that statement. I deliberately imputed motives to no one.

Mr. EDWARDS: In order that the record may be absolutely straight I will repeat what I said. The hon. member either—or if he is Irish, ayther—in his ignorance, I say, of the facts or else with the deliberate intention of placing a false face upon the facts of the case, stated—

Mr. JOHNSTON (Bow River): I would ask you, Mr. Chairman, to give a ruling on that word "deliberate". That is definitely imputing motives to a member of this house, and I demand that the hon. member withdraw that word and erase it from his notes.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I would suggest that the hon. member withdraw the word "deliberate", which is against standing order 41, paragraph 298 of Beauchesne's Parliamentary Rules and Forms.

Mr. EDWARDS: I would bow to your ruling, Mr. Chairman, if there was no alternative, but my remarks were prefaced with the statement that the hon. member was "either ignorant of the facts" or else speaking with the deliberate intention of placing a false face upon them. I would like to believe, sir, that he was ignorant of the facts, and I believe that when I have finished he will admit that he was ignorant of the facts of the case when he spoke to this house on March 10.

Mr. JOHNSTON (Bow River): On a point of order, Mr. Chairman, I ask that your ruling be enforced and that there be an unconditional withdrawal of the word "deliberate."

Mr. MACKENZIE (Vancouver Centre): It was withdrawn.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I believe that the last statement of

the hon. member was in order. His statement was to the effect that the hon. member was ignorant of the facts.

Mr. COLDWELL: Do we understand, Mr. Chairman, that the objectionable statement was withdrawn?

Mr. MACKENZIE (Vancouver Centre): It was withdrawn.

Mr. COLDWELL: Then that is all right.

Mr. FAIR: On a point of order, Mr. Chairman, I believe that the hon. member for Calgary West said "if there was no alternative." That is not an unconditional withdrawal. Even if he is a Liberal, he should have no more rights than other members.

Some hon. MEMBERS: Order.

Mr. JOHNSTON (Bow River): According to your ruling, Mr. Chairman, the hon. member should withdraw unconditionally.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I understood that the hon. member did withdraw.

Mr. JOHNSTON (Bow River): He did not say so.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I would suggest that the hon. member withdraw his statement.

Mr. EDWARDS: Just what is it that I am desired to withdraw—my whole statement?

Mr. JOHNSTON (Bow River): Mr. Chairman, the words "deliberately" and "intentionally" should be withdrawn.

Mr. EDWARDS: I quite readily withdraw "deliberate" if that is what is objected to.

Mr. JOHNSTON (Bow River): Also "intentionally".

Mr. EDWARDS: I assume that the hon. member intends what he says.

Mr. JOHNSTON (Bow River): I was giving the facts.

Mr. HANSON (York-Sunbury): Mr. Chairman, I think the hon. member should be allowed to proceed.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I would ask the hon. gentleman to proceed with his remarks.

Mr. EDWARDS: The statement of the hon. member for Bow River was that the resolution endorsing the federal government's war savings campaign had been passed by the legislature of Alberta on a division of thirty-five to eighteen in the face of solid opposition by the Independent members.

Mr. JOHNSTON (Bow River): I think that is correct.

Mr. EDWARDS: The hon. member was at pains to preface his remarks with respect to this matter with pious protestations of cooperation despite—alleged, but wholly unsupported—charges of discrimination at the hands of this government, and he then proceeded to take credit to his party for unmatched patriotic war efforts—also unsupported. I quote:

> "No other organization in all the dominion has given this federal government the support that the province of Alberta has given in every way possible as far as this war is concerned."

Those are his own words.

I am indebted to a member of the Alberta legislature, Mr. J. J. Bowlen, for the facts in connection with this resolution, and I cannot do better than quote the memorandum which he was good enough to send me covering the correspondence and the draft resolution which led up to the passing of the resolution to which the hon. member has referred.

I should explain at the outset that the Mr. J. H. Walker referred to is the house leader of the official opposition, and the Mr. D. M. Duggan also referred to is the former provincial Conservative leader of the province of Alberta and a member of the Independent group. Mr. Aberhart—need I say?—is the high priest of Social Credit.

Mr. JOHNSTON (Bow River): Mr. Chairman, on a point of order—

Mr. EDWARDS: At least he is the author of the revised version, Canadian edition.

Mr. JOHNSTON (Bow River): On a point of order, I should like to know what the hon. gentleman is reading from. He might as well put it on *Hansard* unread.

Mr. EDWARDS: My memorandum.

Mr. COLDWELL: I am not particularly interested in this controversy; I am interested simply in a matter of procedure. Is this memorandum drawn by some one who is not a member of the house, and is this in reality a speech prepared by someone who is not a member of this house? If so, it is clearly a violation of the rules of order of this house. That is the point in which I am interested.

The ACTING CHAIRMAN (Mr. Fournier, Hull): For the information of the hon. member, citation 314 of Beauchesne's Parliamentary Rules and Forms states:

> 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.

I would suggest that the hon. gentleman may refer to his notes, but not read a speech.

Mr. EDWARDS: I do not propose to read my speech, or any speech prepared by anyone else, but with your permission, Mr. Chairman, I should like now to read the letter which is signed by Mr. Bowlen, and which I shall be very happy to table, as well as the memorandum embodying the copies of the actual correspondence which led up to the passing of this resolution.

The letter of Mr. Bowlen addressed to me under date March 12, reads:

M. J. Edwards, Esq., M.P.,
House of Commons,
Ottawa.

Dear Sir:

I noticed in last night's Edmonton *Journal* a statement made by Social-Crediter Johnston of Bow River, when he said that the independents refused to support a motion moved by the Social Credit government in Edmonton introducing the war savings certificate campaign.

This statement is a deliberate falsehood and I am enclosing a copy of what actually happened.

We had a resolution prepared to place on the order paper ourselves, when someone foolishly suggested we get the government to join in with us and make it unanimous. The records tell the story of what followed, and we have learned a lesson never to expect this government to cooperate in anything.

If you get an opportunity, you might correct the misstatement made by Mr. Johnston, as it puts us in a false light.

Yours truly,
John J. Bowlen.

Acting on behalf of the Independents, Mr. Duggan telephoned the premier on the morning of February 20, the day the session opened—

Mr. JOHNSTON (Bow River): Is the hon. member still reading a memorandum?

Mr. EDWARDS: I am now reading the memorandum sent to me—the day the session opened, and suggested that the members of the legislature could render a useful service to the country by passing a resolution endorsing the programme of the dominion government in relation to the sale of war savings certificates and stamps. The premier concurred in the suggestion, and agreed to receive for consideration a draft resolution. The next day the Independents sent the following draft to the premier:

Resolved: That this legislative assembly endorses the campaign for the sale of war savings certificates and stamps, which is now being carried on within this province and throughout Canada, as an integral part of our united war effort,

[Mr. A. Fournier.]

And further: that this assembly urges upon every citizen of Alberta to make the greatest possible contribution to this plan, and to our country in the present crisis.

The foregoing draft resolution was accompanied by this letter:

Dear Mr. Aberhart:

In accordance with our conversation, I am enclosing herewith a draft of a suggested resolution which I think should be moved by you and seconded by Mr. Walker.

Mr. QUELCH: Mr. Chairman, on a point of order, under standing order 41, citation 306 states:

It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

The hon. member is definitely out of order. I ask your ruling, Mr. Chairman.

Mr. MACKENZIE (Vancouver Centre): I suggest that the hon. gentleman is quite in order in reading the resolution, but is not in order in reading a communication denying any statement made by a member of this house.

An hon. MEMBER: That is what he is doing.

Mr. QUELCH: Mr. Chairman, I have asked your ruling.

The ACTING CHAIRMAN (Mr. Fournier, Hull): If the hon. gentleman is not reading something commenting on anything said by another hon. gentleman in the house—

Mr. QUELCH: The hon. member stated a little while ago that—

Some hon. MEMBERS: Order.

An hon. MEMBER: Sit down.

Mr. QUELCH: Mr. Chairman, may I draw your attention to the fact that the hon. member read a statement to the effect that the statement of the hon. member for Bow River was a falsehood, thus reflecting upon a member of this house. I ask that that statement be withdrawn.

An hon. MEMBER: The hon. member did not object in time.

Mr. QUELCH: The statement was that it was a falsehood.

Some hon. MEMBERS: Too late.

Mr. MacKINNON (Edmonton West): Let us "face the facts."

The ACTING CHAIRMAN (Mr. Fournier, Hull): If any hon. member desires to express an opinion on this point of order, I will listen before rendering a decision.

Mr. ILSLEY: Mr. Chairman, it seems to me that the memorandum, as I have been following it, is merely a statement of what took place in the Alberta legislature. The memorandum itself has at least no obvious connection with anything any hon. member said or any proceedings which took place in this house.

Mr. QUELCH: I would point out that a letter which the hon. member read did refer to this matter.

Mr. MacKINNON (Edmonton West): That is finished.

Mr. HANSON (York-Sunbury): The hon. member for Vancouver Centre has correctly stated the position under the rules. I suggest that the advice which he gave should be followed.

The ACTING CHAIRMAN (Mr. Fournier, Hull): Any hon. member reading comments upon remarks made by another hon. member in this chamber would be out of order if an hon. member raised the point of order at the time the comment was read. Later on, it would be too late. As to the last remarks made by the hon. member, I am of opinion that he has a right to read that resolution, but not to comment on what was said by an outsider against a member of this house.

Mr. COLDWELL: Mr. Chairman, I should like briefly to discuss the point of order, because I think it has an important bearing upon the future conduct of business in this chamber. I would say this, that the hon. member for Calgary West, in speaking—

Some hon. MEMBERS: Order.

Mr. COLDWELL: —said that he was reading.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I believe the only proper procedure would be to appeal from the decision of the chair, not to comment on a decision after it has been rendered upon a point of order.

Mr. COLDWELL: Do I understand that I am not permitted to discuss the point of order?

The ACTING CHAIRMAN (Mr. Fournier, Hull): As I understand the rules, after a decision has been rendered it cannot be discussed. The hon. member could have taken part in the debate, but he cannot discuss the decision after it is made. The only way would be to appeal from that decision.

Mr. MACKENZIE (Vancouver Centre): May I inform the hon. member that the chairman invited expressions of opinion deliberately from all members of the committee.

Mr. EDWARDS: Let me read the letter.

Dear Mr. Aberhart:

In accordance with our conversation, I am enclosing herewith a draft of a suggested resolution which I think should be moved by you and seconded by Mr. Walker.

I see no necessity for a protracted debate. I further suggest that you introduce the resolution to-day under "Notices of Motion," and ask the house to suspend the rules so that you will be in a position to proceed with the resolution to-day.

If you care to discuss this matter with me I shall be glad to come to your office at your convenience.

Yours sincerely,

D. M. Duggan.

Later the same day, the premier replied as follows:

Dear Mr. Duggan:

I shall be glad to introduce the following resolution which I think will cover the matter, if Mr. Walker will second the same.

Yours sincerely,

William Aberhart.

This is the premier's resolution:

Whereas the dominion government has adopted the sale of war saving certificates and stamps as one of the methods of financing the war; and

Whereas this method of financing the war, although highly unsatisfactory, has been designed by the dominion government to achieve the primary and foremost objective of the British empire at the present time, namely, winning the war;

Now therefore be it resolved that this legislative assembly endorses the campaign for the sale of war saving certificates and stamps which is now being carried on throughout Canada as a part of our war effort;

And further that this assembly urges that every citizen of Alberta should cooperate with the dominion government in the winning of the war in every reasonable way possible;

And finally that this assembly urges upon the dominion government the necessity of adopting effective methods of financing the war and preparing for the post war period by the national control and issue of money and credit without inflation.

Date: February 21, 1941.

William Aberhart.

In reply, the Independents wrote to the premier as follows—

An hon. MEMBER: Who are the independents?

Mr. EDWARDS: They are the official opposition in the Alberta legislature, their leader being Mr. J. H. Walker. The following letter was addressed to the premier:

Dear Mr. Premier:

Thank you for your letter of the 21st inst., enclosing a resolution signed by you as proposer, which is designed to endorse the action of the dominion government in connection with a nation-wide campaign for the sale of war

saving certificates and stamps. The inclusion of the main points of our "draft" sent to you earlier the same day, is a courtesy we appreciate, but we sincerely regret that you have included in your resolution certain statements which are controversial, thereby destroying the object we had in view. We respectfully suggest for consideration the following deletions:

(1) The words "although highly unsatisfactory" in the second clause in your preamble.

(2) The word "reasonable" in the last line of the second clause of your resolution.

(3) All the words after the word "period" in the final clause of your resolution.

A resolution which expresses an opinion on any specific national monetary policy would undoubtedly provoke discussion and possibly injure the campaign, thereby impairing an important phase of Canada's war programme.

If you cannot see your way to accept our suggestion, we strongly urge you to allow the matter to drop.

The next step was taken by the premier when he placed on the order paper the following resolution:

Mr. JOHNSTON (Bow River): The hon. member is still reading from the memorandum?

Mr. EDWARDS: Still reading from the memorandum.

Moved by the Hon. Mr. Aberhart, seconded by Mr. Morrison:

Whereas the dominion government has adopted the sale of war saving certificates and stamps as one of the methods of financing the war; and

Whereas this method of financing the war has been designed by the dominion government to achieve the primary and foremost objective of the British empire at the present time, namely, winning the war;

Now therefore be it resolved that this legislative assembly endorses the campaign for the sale of war saving certificates and stamps, which is now being carried on throughout Canada as part of our war effort;

And further that this assembly urges that every citizen of Alberta should cooperate with the dominion government in the winning of the war in every reasonable way possible;

And finally that this assembly urges upon the dominion government the necessity of adopting effective methods of financing the war and preparing for the post war period by the national control and issue of money and credit without inflation.

When the foregoing resolution came after the debate, Mr. Duggan moved the following amendment:

That the resolution be amended by deleting the following words:

1. The word "reasonable" in the fifth line of the resolution.

2. The entire last paragraph commencing with the words "And finally."

During Mr. Duggan's address, he urged the premier to accept the amendment in order that the main part of the resolution could receive the unanimous support of the legislature. It will be noted that the premier's resolution is practically the same as the draft submitted to him by the Independents, but in order to provide an opportunity for a discussion of the ideas of Social Creditors with respect to monetary reform, an additional clause was added.

It will also be noted that the premier modified the position taken by the Independents to urge that every citizen of Alberta should cooperate with the dominion government in the winning of the war in every way possible by inserting the word "reasonable," which was interpreted by the Independents as being "modified" support instead of unconditional support.

Mr. QUELCH: On a point of order, Mr. Chairman, is the hon. member reading a memorandum to the committee? If so, by whom has it been prepared?

Mr. EDWARDS: This memorandum was prepared and sent to me in Mr. Bowlen's letter, over his signature, and he takes full responsibility for it.

Mr. QUELCH: Is it your ruling, Mr. Chairman, that the hon. member is allowed to read a memorandum prepared outside this house? Are we to listen to a memorandum prepared by different people throughout the country? Mr. Chairman, we are waiting for the ruling of the chair.

The ACTING CHAIRMAN (Mr. Fournier, Hull): Do any other hon. members wish to speak to the point of order?

Mr. McNEVIN: We have listened in this house to entire Douglas pamphlets time and time again.

Mr. FAIR: Hon. members do not seem to understand them any better.

Mr. ILSLEY: As I understand the point raised by the hon. member for Acadia (Mr. Quelch) it was decided a few minutes ago.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I understand that the hon. member for Calgary West (Mr. Edwards) is reading a document in support of his argument, and that is quite in order. My first decision stands.

Mr. EDWARDS: When the amendment of the Independents was put, it was supported unanimously by the Independent members and opposed unanimously by the members of the government and Mr. Morrison, Labour member for Edson. It should be remembered that the Independents initiated the proposal for unqualified support of the war savings certificates plan and that the action of the

government in including controversial clauses in the resolution, precluded unanimous support.

The public should clearly understand that the Independents expressed themselves as being whole-heartedly in support of the war savings certificates programme, and the attitude taken by the government members has been interpreted as modified and conditional support.

Now, Mr. Chairman, I leave it with hon. members of this house and with the public to judge who are the true patriots in the Alberta legislature, and whether or not it was the Independent members who, when they could not obtain the passage of an unconditional and whole-hearted endorsation of an unconditional resolution, refused to be a party to a resolution which was passed and which was intended to label Alberta's patriotism with a Social Credit brand, and to qualify our war effort with an impossible condition.

Mr. ROEBUCK: Did the parties who voted against the qualified resolution then follow their action by introducing a resolution of their own?

Mr. EDWARDS: No; the record shows that they moved an amendment to the resolution, and voted for the amendment. The unqualified resolution came before the house by way of an amendment to the qualified resolution; the Independents voted unanimously in support of the unqualified and unconditional endorsation of the campaign, and that unqualified resolution was voted against unanimously by the Social Credit government.

Mr. JOHNSTON (Bow River): I do not know when we have listened to a display which so clearly violated the rules of the house, and yet was permitted.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Withdraw.

Mr. MARTIN: It was a reflection on the chair.

An hon. MEMBER: Sit down.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I really believe the hon. member should withdraw the first remarks he addressed to the chair. I believe it was a reflection on the decision, and if he was not satisfied at the time he should have appealed from that decision.

Mr. JOHNSTON (Bow River): I made no reflection on the chair.

Some hon. MEMBERS: Withdraw.

Mr. JOHNSTON (Bow River): But if—and I say "if" advisedly—there was any reflection on the chair—and I use that word advisedly—then I withdraw my reflection on the chair. I do not, however, intend to take up the quarrel of the unfortunate Independents in Alberta. I believe they will be quite adequately handled by the government there.

Mr. MARTIN: You mean by the dictator?

Mr. JOHNSTON (Bow River): I am sure the committee would be interested to know who the Independents are. I have heard the Conservative party criticized in this house for taking a new name during the election campaign. I believe they called themselves the national government party. The Prime Minister and the Minister of Justice went to great lengths to criticize the Conservatives in this house for being ashamed of their name, and going before the electorate on a new set-up. That is exactly the picture which obtained in Alberta. They were, shall I say, ashamed of their identity, one which was so discredited in the eyes of the public that they did not dare to run as Conservatives, nor did they dare to run as Liberals.

Mr. MacKINNON (Edmonton West): Yes, they did.

Mr. JOHNSTON (Bow River): So they had to combine all their forces. Oh, yes, the Cooperative Commonwealth Federation joined with them—the U.F.A. rather—and they were—

Mr. MacKINNON (Edmonton West): Mr. Chairman, may I—

Mr. JOHNSTON (Bow River): —so grossly ashamed of themselves that they had to call themselves Independents. One of the mysteries in the west is to know what they are independent of. The only thing we can conclude is that they are entirely independent of the people of that province. I do not intend to take up the argument for Mr. Bowlen, because it seems to me the case for Mr. Bowlen has been spoken freely in this chamber this evening.

I do not—

Mr. HANSON (York-Sunbury): On a point of order: I suggest this whole discussion is out of order, and that we are just wasting the time of the committee.

Mr. GRANT: Apologize and sit down.

Mr. JOHNSTON (Bow River): I will say this, Mr. Chairman, that I do believe the speech of the hon. member for Calgary West was entirely out of order, but the leader of the opposition has been a long while coming to that conclusion.

Mr. HANSON (York-Sunbury): I am afraid it will go on all night.

Mr. JOHNSTON (Bow River): It should have been mentioned before. Nevertheless I

believe Mr. Bowlen's case does not concern us here. I want to say something about the business before the house—

Mr. THORSON: About time.

Mr. JOHNSTON (Bow River): —not the business of the unfortunate Independents in Alberta. The question has been discussed as to coal coming from either Saskatchewan or Alberta. I have no brief for Saskatchewan, and I have no intention whatever of entering into an argument as to whether coal should come from Alberta or Saskatchewan. I am definitely of the opinion that there should be a national coal policy, and I believe it is a long time overdue.

The hon. member for Rosthern, who spoke immediately before the supper adjournment, advanced as one of the reasons for using Saskatchewan coal the argument that there should be no attempt to overload the coal industry of Alberta. I assure the hon. member, and other hon. members who are interested, that the coal industry in Alberta is definitely not overburdened. In fact there are hundreds of miners in the Drumheller area who are sitting along the tracks, day after day, with no work to do.

Only a few days ago I read to the house a resolution from that city appealing to the government to do something to relieve the unemployment of employable men in the Drumheller valley. Over 14 per cent of the world's coal deposits are in Alberta, and yet we have hundreds of unemployed men. Just a few days ago I received a memorandum from the coal miners' association in Drumheller showing where the miners in that valley, and in other parts of Alberta, work on an average of only one hundred days in the year, or roughly speaking about one-third of the total time. They have to maintain a living for themselves and their families for the other two-thirds of the year. So certainly one cannot say that the industry is overburdened.

There should be no difficulty getting all the coal required from Alberta, not only to satisfy the requirements of Saskatchewan but for more extensive use here in the eastern and central parts of Canada. When we consider the limited amount of storage for wheat at terminal elevators we must realize at once that hundreds of box cars are now standing idle, because they are not being used to haul that wheat. I suggest those box cars could be used advantageously for the hauling of coal from Alberta to other parts of the dominion.

In this connection I would read a resolution received recently from the city of Drumheller, to show the feeling at that point about the coal situation. It would be a shame in my opinion if the committee were left under the impression that Alberta coal miners are overworked. This was sent to me from subdistricts 1 and 2, district 18, United Mine Workers of America, and is as follows:

Dear Sir,

At a mass meeting of the general public—

This was not the meeting of a political organization but of the general public.

—held in the Elks hall, Drumheller, on March the 2nd, 1941, under the sponsorship of subdistricts 1 and 2 of district 18 U.M.W. of A. and supported by the city of Drumheller and the Drumheller board of trade, the following resolution was unanimously adopted, and I was instructed to forward it to you, for your earnest consideration.

Resolution

Whereas:

In the opinion of this meeting, the time has arrived for the dominion government to give earnest consideration to the plight of the Drumheller and surrounding districts, and the Canadian coal trade in general.

Therefore be it resolved

That this meeting protest strongly against the continued importation of United States coal and that we demand that steps be taken immediately to provide additional markets for Canadian mined coal, so as to conserve Canadian exchange during war time, and to eliminate the necessity of Canadian miners applying for relief, in the meantime, until these markets are made available, we demand the dominion government bear its fair share of necessary relief.

William Briggs
Thomas Mackie
William Jones
George Wiggan
Mike Ivan

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

Some hon. MEMBERS: Order.

Mr. CRUICKSHANK: I should like to ask the hon. member what he is reading from.

Mr. JOHNSTON (Bow River): If you had listened you would have heard it.

Mr. CRUICKSHANK: I probably would not have been able to understand it.

Mr. JOHNSTON (Bow River): I would not doubt that for a moment; I would not contradict the hon. gentleman.

The ACTING CHAIRMAN (Mr. Fournier, Hull): Order. I would ask the hon. gentleman to address the chair.

Mr. JOHNSTON (Bow River): I spoke directly to you, Mr. Chairman.

An hon. MEMBER: It was the other hon. member.

Mr. CRUICKSHANK: I did address the chair.

Mr. JOHNSTON (Bow River): Perhaps I might be permitted to conclude this resolution:

We hope the above resolution, which was sent to the Right Honourable Mackenzie King, Prime Minister of Canada, and various other cabinet ministers, meets with your approval and that you will press for its adoption at this sitting of the House of Commons.

Thanking you in advance for courtesy and cooperation and with best wishes,

Yours fraternally,

That is signed by the secretary of the organization. In view of the fact that last year we brought in a tremendous amount of coal from the United States; in view of the fact that this resolution calls for a united effort with regard to our coal problem and asks, in effect, that we form a national coal policy, I think it only right that I should place on record our imports of coal, from a return of the house tabled last year, as follows:

	United States (tons)	Other countries (tons)
1939—		
September	6,644,720	1,076,191
October	3,469,782	701,396
November	3,091,195	548,668
December	2,406,712	234,633
1940—		
January	2,895,051	87,563
February	2,127,463	138,174
March	2,136,850	57,797
April	2,134,974	57,490

The value of the coal imported in 1939 from the United States alone, amounted to over $48,000,000. As I have said before, Mr. Chairman, it is difficult to instil patriotism and unity into the people of Canada just by talking, by advertising and by putting out propaganda. If members of the cabinet would spend a little time going among the people, especially in these mining communities, they would find that perhaps these people do not read as much as other classes do; they do not go to as many shows, because they have not the money, to see the expensive propaganda that is shown. They form their opinions from what they see in their daily life. When they see their people sitting by the side of railroad tracks, unemployed and starving in the midst of the most gigantic war in the history of the world; when they know there will not be enough food on the table for supper, although we are supposed to be in the midst of an all-out war effort, they are not very receptive when we say, "You must do your utmost in this war." They look at you in stark amazement and say, "That is exactly what we want to do. Why does the government not let us work?" Here are these able-bodied men, one hundred per cent physically fit; they want to do something. Here we have the city of Drumheller, with its board of trade and even the Liberal organization, which, as I said the other day, sent me a resolution—which was perfectly correct—wanting the government to do something to remedy this condition. And all the time these people know, through their organizations, that last year the government brought in from the United States something more than $48,000,000 worth of coal; and they ask themselves whether the government is really serious about saving foreign exchange. I ask myself that question, too, and I must confess that I have my doubts when I see these things, which I know to be true. One of the most logical and essential things the government should do right at this session is to declare and develop a national coal policy.

As the Minister of Munitions and Supply said a little while ago, and perhaps justly so, this is simply an argument as to whether coal should come from Saskatchewan or Alberta. This simply magnifies the situation and shows the great necessity of a national coal policy for Canada. If we had that, it would have saved much of the argument which has been carried on to-day. Saskatchewan is a nice province; there are nice people there, but they are not quite as nice as the people in Alberta, and their coal is not quite as good. We can supply more coal than they can think of; we can supply all Canada with coal, and I am not overlooking the tremendous amount of coal available in Nova Scotia and eastern Canada. They have problems there which should be given consideration. As I say, all this simply magnifies the fact that the Department of Munitions and Supply or the appropriate department should get together and form and announce a national coal policy for Canada.

Mr. DOUGLAS (Weyburn): During the passage of this resolution through the committee, the Minister of Munitions and Supply has attempted to explain the bottle-necks which exist in aircraft, shipbuilding production and other industries by outlining the difficulty the government has in obtaining skilled labour. I should like to ask the Minister of Munitions and Supply and the Minister of National War Services just what collaboration there is between the two departments. We understood that the National Resources Mobilization Act was passed last year for the purpose of tabulating all the available labour resources in Canada, in order to classify them into categories and to move men or give them assistance in moving so that they might be able to contribute to a maximum war effort. Could either of the ministers involved give the committee a statement as to what collaboration has taken place between the two departments?

A national volunteer registration bureau was set up in the Department of National

War Services and a national registration was held last year. The only value of such a registration is to permit the government to find skilled labour in shipbuilding, skilled technicians, men and women who are experienced in explosive manufacturing, and other types of labour. I have a case in mind, and perhaps other hon. members could duplicate it. I have received letters from people who are working on farms but who had experience in the manufacture of high explosives during the last war. In every case I have turned the name over to officials in the Department of Munitions and Supply. These are people who possess some skilled knowledge in this particular industry and who are desirous of making what contribution they can toward Canada's war effort.

That, however, is not enough. About nine months ago the government set itself the task of taking an inventory of the labour resources of Canada. What has been done about it? What results have been obtained? A few days ago I had on the order paper a question about this, and the answer I received was that the only figures compiled so far were for Ontario. How soon will the figures for the other provinces be compiled? How soon will the Department of National War Services be able to say to the Department of Munitions and Supply that they know where technicians are available and can give it names and addresses?

Under the Department of Labour young men are being trained with a view to absorbing them into war industry. Only last evening I had in my office a young man who had just come from Toronto. Previously he had lived in the west, but he had come to Toronto to take an eight weeks' training course at Danforth technical school. Along with the rest of his class he had graduated as a machinist, but all these young men find there are no jobs for them. When they started the course they were told that jobs would be available before they were finished, that they might not be able to complete the course. When, however, they finished the course there were no jobs. They were told to go and see the Massey-Harris people, but when they went there they were advised that 150 men had been laid off and these men would have first claim on any jobs. This young man told me they went to the John Inglis company where they were told that 50 men had been recently laid off and would be given first call before any new men were taken on.

There is something wrong. We have been told that there is a scarcity of technicians and skilled labour; we have been told frequently by the Minister of Labour that we are going to need 200,000 or 300,000 skilled men. Those statements do not jibe with the experiences of these young men who have taken these courses and who find they cannot get jobs, although the very thing the government has been training them for is to enable them to undertake work in war industry. There is no use in the government spending money to train young men and then have them go back to the farm.

I think the committee would appreciate an explanation from either one of the ministers involved. We should like to know what steps have been taken to mobilize labour, to find out where qualified technical men can be obtained, of whom the Minister of Munitions and Supply says there is a scarcity. We wish to know where these men can be located and what steps are being taken to place them.

Mr. GARDINER: I have not before me at the moment the statistics from which I could give this information. During the last two or three weeks we have been going round in circles as far as the discussion is concerned, and it is difficult to have material available at all times. All the questions which were asked during the last few moments were answered a few days ago and the answers now appear in *Hansard*. The figures with regard to Ontario, as well as the general statistics with regard to all Canada, were given. The statement was made that in another week or ten days the figures with regard to the other provinces would be available. They can be very closely estimated from the Ontario figures. As far as the registration is concerned, hon. members know that this was started in August of last year, being completed on August 22. Immediately afterwards a compilation was begun of the statistics gathered through that registration.

I may say that from time to time certain information has been passed on to different industries in Canada as well as to the Department of Labour. Any information required by the Department of Munitions and Supply respecting certain types of labour that might be available in certain places has been passed on from time to time. Last night some reference was made to a number of young men who have gone over to Great Britain from Canada to take part in the operation of the instruments made available for the purpose of locating planes at night and in connection with night flying. Practically all of those young men were located through the registration. The first 1,500 were located in one city. Their names were handed to the officials who visited the homes of those men house by house, and they were

on their way to Great Britain in a very short time. The registration figures are being made use of in that way from time to time.

One of the difficulties that we experience in connection with the matter is the fact that nearly every one who applies for employment applies, in the first instance, to the wrong place. Over a long term of years it has been customary for persons who were looking for employment to make application at the employment offices across Canada. For some reason or another, however, a great many people now think they should make application to Ottawa and they write to some minister or to some person connected with the promotion of some particular industry. We simply had to advise them that all the information with regard to these matters is now, as it always has been, at the labour offices and that that is the proper place to apply; that they can get action quicker in that way than by applying to someone else somewhere else. With that information sent back to them, some of them do find it possible to locate employment.

I quite realize that not all of those who desire employment in different parts of Canada have been brought into contact with industry that requires their labour. We have some difficulty in bringing that about, difficulties sometimes associated with the place where the person is now living and the circumstances under which he has been living. Sometimes it is difficult to take the head of the family away from the family, and sometimes it is difficult to move the whole family. There are all kinds of inconveniences of that sort because of the great distances in this country, but we are trying to work out methods of dealing with these different problems that arise. There have been advertisements from time to time put in the western papers seeking applications from persons who are competent to do certain kinds of work, such as shipbuilding, requesting them to apply for jobs in other parts of Canada, and by that method many of those who require work have been brought into contact with employment.

I do not know just how soon we shall have all the figures in connection with the registration, but I am informed by the members of the staff in the statistics branch that the figures will practically all be ready before the end of this month.

Mr. HOWE: If I may add a word, I hardly think it is fair to judge the whole labour situation by the case of this one young man. My hon. friend said that he had received six weeks' training as a mechanic.

Mr. DOUGLAS (Weyburn): Eight weeks' training.

Mr. HOWE: In other words, he was converted into a mechanic in eight weeks. That is hardly long enough experience for a mechanic, as my hon. friend will admit. The difficulty may have been in his approach. An employment officer naturally pays some attention to the type of approach made. The lad may have been cheeky, or a number of other things may have happened. It was stated that the John Inglis company were laying off 50 men. That is not the situation. They are taking on additional men each week, and if any men are being laid off, they are men who have not measured up to the standard required by the John Inglis company.

So far as the Massey-Harris company is concerned, they are doing work in their own line of business, which is the manufacture of agricultural machinery. It is possible that some may have been laid off who are engaged in that line of work, but I can assure my hon. friend that, so far as the war work of Massey-Harris is concerned, employment has not slackened because contracts are still current.

Mr. DOUGLAS (Weyburn): I know it is always dangerous to argue from the particular to the general, but I am informed that this is the case not merely of one young man but of an entire class. I saw his graduation certificate and the marks he made were exceedingly good. Could the Minister of Labour (Mr. McLarty) give us some idea of the percentage of young men who have gone through this course of training who have been placed in employment, and what percentage have not yet been placed?

Mr. McLARTY: I cannot give a categorical answer as to the definite percentage placed of those who have taken training courses. We are operating training courses at a substantially high rate at the present time. It is regrettable, but it is a fact that in certain localities some of those who have received training have not yet been placed. For example, a situation arose last fall where we had something like 500 men in Calgary who had received upwards of 600 hours of training, and who did not have employment. We arranged to transport them to a point where there was employment, and I think it is not unfair to say that all those 500 men were placed in employment. It undoubtedly is true that we are training faster in certain localities than the war industries in that particular locality can take care of the men. It is necessary to arrange for their transpor-

tation, and even when that is done, you are going to find the isolated case of a man who cannot immediately secure employment.

Let me give to the hon. member the figures, which are quite recent, of the number of trainees in the month of February; that is, the number receiving training in that month. There are four branches of training being carried on under the general training plan of the government. There are, first of all, the war emergency classes; there are the war industrial classes, under the youth training programme; there are the army classes, under the war emergency training programme; then there are the Royal Canadian Air Force classes, training aeroplane mechanics and those who are to take their place in the aircraft manufacturing industry.

In February, the month just past, we had in training in the war emergency classes, 6,351; in the war industrial classes, under the youth training programme, 992; in the army classes, under the war emergency training programme, 2,353; and in the Royal Canadian Air Force classes, training aeroplane mechanics and those who will be engaged in aircraft manufacturing, 1,727; or a total throughout Canada of 11,423. That was the number of trainees whom we were training in the month of February.

Please do not get an incorrect impression from that. It does not follow that that number joined the training classes in the month of February or that they were turned out in the month of February. That is the total number of trainees in that month.

Then as to the average time for training, the hon. member for Weyburn (Mr. Douglas) mentioned eight weeks. That is substantially below the average.

Mr. DOUGLAS (Weyburn): Some train for eighteen weeks.

Mr. McLARTY: Generally speaking, I think it will be correct to say that the average is about three months. Mind you, in dealing with the number trained, we do not deal with those who go into industrial plants and perhaps spend seven or eight days in learning a trade. They are not included in these figures. I think I am safe in saying that the average period of training—in some instances it may be longer and, in some instances, shorter—is three months; we have 11,423 men in training in one month, and the number is constantly increasing. That was the number in training in February. In January the equivalent figure of the total number of trainees was 10,381. In other words, February increased over January, in the number of those receiving training during the month, by over 1,000.

[Mr. McLarty.]

Mr. DOUGLAS (Weyburn): What would be the average output per month? Has the minister a rough idea?

Mr. McLARTY: I have that figure somewhere, but it does not appear to be right at hand; I shall be glad to give it to my hon. friend. In a rough way I suppose you could calculate it. If the average period of training is three months, and there were 11,000 in training in the month, there would be a present output of over 3,000 a month, but I shall be glad to supply the hon. member with the exact figure because we have it.

That is the situation, scattered throughout Canada. Then vocational training is carried on in seventy-five schools situated in different parts of Canada. In some of those parts, war industry is carrying on at a tremendous rate; in others, though having the advantage of trainees, war industry is not so substantially located. It is inevitable that between the time of training and the time of securing employment, some delay occurs. What we are endeavouring to do in connection with the training programme—and I am dealing now only with vocational training, to which I assume the hon. member for Weyburn referred—is to stimulate the use of vocational schools. I hope by the time this measure is through to have a somewhat complete report as to the success which has been obtained in plant schools.

We are, however, endeavouring to attain a condition in which those who receive training will not have to return, as the hon. member remarked, to territories where industrial concentration is not great. We are trying to correlate the training plan with industry itself so that, once a man receives his training, he will, as soon as possible, be placed. As the Minister of Munitions and Supply pointed out, we are up against a difficulty as to individual characteristics of the particular trainee. That is inevitable. We shall be faced with the difficulty that you cannot secure immediate employment for those who are trained. But we believe that, when this general industrial movement reaches its height, there will be employment for every trainee whom we can turn out; in fact our difficulty at that time will be to provide enough trainees.

Mr. PURDY: Mr. Chairman, I do not propose to take up much of the time of the committee; I feel that we are getting pretty well tired of the discussion. But you recall that on Friday evening, at the closing hour, the leader of the opposition (Mr. Hanson) tried to leave with the country and the committee certain impressions respecting the purchase of lumber for the Debert camp. These I gathered under the following headings:

1. That a large portion of the lumber used in construction at Debert military camp was purchased from Harry J. Mackenzie at very high prices.

2. That H. J. Mackenzie was my campaign manager during the March, 1940, election.

3. That a portion of my lumber was included in the Mackenzie sale.

4. That Mackenzie, an insurance agent, was not previously interested in the lumber business.

On Monday, the Minister of National Defence pointed out that the lumber sold by Mackenzie was about one per cent of the total amount comprised in the purchase. He further showed that the price paid to Mackenzie was very reasonable.

At the time the discussion was on, I denied that Harry Mackenzie was my campaign manager. I do not propose to say who my manager was, but I think a good many hon. gentlemen here will say that, whoever he was, he made a fairly good job of it.

That a portion of my lumber was included in the Mackenzie sale I denied at that time.

We come now to the statement of the leader of the opposition with respect to Harry J. Mackenzie not having been previously interested in the lumber business. This evening at around six o'clock the following telegram reached my desk:

> Have been interested in lumber at various times for thirty years. Did not solicit orders for Debert. Was called to hotel by Mr. McCabe and asked if I could supply special sizes which I had on hand. Standard price delivered at Debert. Will have one million feet of first class lumber for delivery early summer at competitive prices. Will go to Ottawa at Hanson's expense if necessary. Letter to follow.
>
> H. J. Mackenzie.

Now that we have laid the last wrinkle in the shroud of the ghost raised by the leader of the opposition, I do not think I should say anything more, except, in closing, to leave the idea that it does seem a shame that because a known Liberal gets a contract from the government it is immediately suggested around the country that there is something underhand about it, and that he is making money at the expense of the country.

You know, sir, that in this chamber there are some big big men, and there are some big little men, and there are some little little men and there are some little big men. I am going to leave it with you and the committee and the country just where the leader of the opposition places himself by making such an unwarranted reflection upon a friend and follower of mine.

Mr. MacINNIS: I think the Minister of Labour should give the committee more complete figures on the point he mentioned a moment ago. To my mind they are very important indeed, first, because the people are looking to those training plants, and the government is continually asking everyone to do his or her utmost in carrying on the war effort, whereas so many people find themselves unable to do anything.

I realize, as I think all hon. members must, the magnitude of the work which the government has to do, to organize in eighteen months all the activities which have been necessary because of the war, and there are bound to be some complaints, a number of bottlenecks, and a certain amount of disorganization. In the western cities, however, there is a great deal of unemployment. I made inquiries of the city hall in Vancouver by letter a few days ago, and I am told that there are at present over 10,000 unemployed, of whom over 7,000 are employable. That is an enormous number at a time like this. We need the labour of every man who is capable of working. The minister should make as complete a survey as possible of the work which the training centres are doing, and let the country have the figures at an early date.

Mr. McLARTY: I should be very glad to adopt the suggestion of the hon. member for Vancouver East. A survey is now proceeding in connection with the plant schools. May I, however, point out to the committee that there are two phases of the work which the interdepartmental committee on labour supply is doing. One is through the vocational schools, and the special training schools for aeroplane mechanics. Another phase of it deals with an entirely different matter, namely the plant schools. It is a little difficult to get exact information as to the volume of training being done in the latter schools. The survey is, however, now under way, and I believe that within a few days it will give us a more accurate picture.

I appreciate what the hon. member for Vancouver East has said with regard to the situation in Vancouver. It is, I know, a little different from any other city in Canada, and necessarily so, on account of the charming climate of British Columbia and the city of Vancouver in the winter time; and the figures he gives are not startling.

Generally speaking, I am advised by the officials in British Columbia, they are largely those of unskilled labour, and there is a period of definite seasonal unemployment at that point. Perhaps the situation is more aggravated in Vancouver than in any other city. I believe that to be fair.

I shall be very glad, when the bill is in committee, to give a complete statement of the whole training plan. I have given figures indicating that the plan as regards adoption

of industrial training classes in the development of aeroplane mechanics and air training mechanics is operating in a pretty substantial way. I should like to be able to give to the committee definite figures of the plant schools.

Generally speaking, the plan is to train in the coming year 1941—I speak of the calendar year—something over 100,000 men. It is designed that about 80,000 of these will be available to war industries, and as far as basic training is concerned they will be skilled men. I do not suggest that after they go through basic training they do not also have to take certain practical training in the plants. The members of the committee will agree that that is essential, but, generally speaking, we aim through the plant schools, the training schools, to train not less than 100,000 men this calendar year. I shall be glad to give a break-down of the figures when the bill is in committee, if that is satisfactory to hon. members.

Mr. REID: I suggest to the minister that when he makes his survey he should look into the complaint which is made that many manufacturers, in the preference for employment, are favouring young men of from twenty-one to twenty-four, and that many of the older mechanics—I am referring to British Columbia—find it almost impossible to obtain work. When they go to the shipyards and the factories they are told that they are a little too old. That aspect of the matter should be looked into seriously by the minister in the survey he makes.

Mr. MACDONALD (Kingston City): Last night the hon. member for Vancouver East (Mr. MacInnis) asked for some information as to the number of men who had been promoted from the ranks to officer rank in the navy, with particular reference, I think, to the number now taking the officers training course at Hatley Park near Victoria. I looked up the figures since last night, and I find that twenty men formerly serving as ratings in the navy are there now taking the officers course.

Another question was asked last night by the leader of the opposition (Mr. Hanson), who I am sorry is not in his seat at the moment. He asked for certain figures showing the composition of the item of $28,000,000 odd which I gave as representing the expenditure for ten months of the current year for acquisition and construction of vessels. I do not know whether the hon. member for Yale (Mr. Stirling) would take down the figures or whether he desires me to wait. I may have a chance of getting the floor again when the leader of the opposition returns, but I can give the figures now.

[Mr. McLarty.]

The item of $28,525,293 which I gave last week for the acquisition and construction of vessels is made up of the following sub-items:

For construction of corvettes	$18,503,682
For construction of mine-sweepers	5,401,708

Mr. MacNICOL: Will the minister give the number of each—how many corvettes and how many mine-sweepers?

Mr. MACDONALD (Kingston City): I suppose it could be given, but it is something the naval authorities never want to give in exact detail. I do not mind saying, however, that our programme is for seventy corvettes.

Mr. STIRLING: Does that mean the total?

Mr. MACDONALD (Kingston City): By the spring of 1942.

Mr. STIRLING: For Great Britain and Canada?

Mr. MACDONALD (Kingston City): No; for Canada only. To continue:

Acquisition of armed merchant cruisers	$2,097,433
Motor torpedo boats	579,507
Other vessels, which would take in smaller vessels for patrol—auxiliary vessels, harbour craft, et cetera	1,942,963

These figures total $28,525,293, which represents the amount I gave last week as the outlay for the first ten months of the present year.

The leader of the opposition also asked last night for some details as to the vote of $56,000,000 odd required for the coming fiscal year. I am able to say in that regard that that amount is made up, in part, of the moneys necessary to complete destroyers and to commence construction of further destroyers. In that respect the total is $9,250,000. The other figures are:

To complete corvettes	$ 8,750,000
Anti-submarine vessels, to complete	3,300,000
Anti-submarine vessels, part construction	4,875,000
Fairmile boats, coastal motor launches	1,500,000
Fairmile boats, another group of these boats	1,500,000
Motor torpedo boats, to complete 12	1,002,600
Four other motor torpedo boats	1,054,200
Six motor seine vessels	324,000
Ten harbour service motor boats	300,000
Two base supply ships	1,200,000
Twenty-eight mine-sweepers (that is the sum necessary to complete)	6,750,000
Ten mine-sweepers, part construction	$ 4,750,000
Ten mine-sweepers, another lot, part construction	2,000,000
Two magnetic mine-sweepers, wooden	350,000
Four boom maintenance vessels	320,000
One boom maintenance vessel, conversion	20,000
One boom attendant vessel, to complete	15,000
Four gate vessels (to be purchased, and converted for such purpose)	340,000

Four gate vessels, conversion alone...	$ 100,000
Twenty-five harbour craft, partly constructed; amount necessary to complete	150,000
Two ammunition lighters	130,000
111 degaussing	762,000
One fire boat	125,000
Contingencies	3,000,000
Sales tax	4,149,200
	$56,017,000

Mr. STIRLING Did the minister refer to the building of submarine vessels?

Mr. MACDONALD (Kingston City): Anti-submarine.

Mr. STIRLING: Was the second one mentioned an anti-submarine vessel?

Mr. MACDONALD (Kingston City): Yes. There are three lots of these anti-submarine vessels. There was no item for the building of submarines.

Mr. BLACK (Cumberland): How many of these classes of boats are of wooden construction, and could be built in yards in the maritime provinces?

Mr. MACDONALD (Kingston City): Those boats known as Fairmile could be built in the maritime provinces. As a matter of fact, two are being built in the county of Digby. Some others which could be built in the maritimes are the motor torpedo boats, the motor seine vessels, harbour service boats, two wooden magnetic mine-sweepers, twenty-five harbour craft and the ammunition lighters. Any wooden ship mentioned in this list could be built in the maritime provinces.

Mr. MacNICOL: What kind of wood is used in the construction of wooden ships?

Mr. MACDONALD (Kingston City): It varies, according to the type of ship. For instance, there is a good deal of mahogany in the Fairmiles. There are mahogany planks and decks. Of course the plans for these boats were British Admiralty plans, and they were followed in Canada. That is true, too, as to certain types of mine-sweepers. The hon. member for Queens-Lunenburg pointed out the other night that some of these boats contained a good deal of teak, and other expensive woods. These, again, were British specifications, and very little could be done about it here. As a matter of fact, the mine-sweepers about which he spoke were all built for the British Admiralty, to British specifications. We have changed the specifications, to some extent, in connection with the two mine-sweepers we are building, so as to permit greater use of native woods.

Mr. MacNICOL: Is rock elm used in the construction of boats?

Mr. MACDONALD (Kingston City): So far as I know, rock elm has not been specified for any of the larger boats, but I would not be sure about some of the smaller craft and the motor boats, a good many of which have been built in Nova Scotia.

Mr. BLACK (Cumberland): Have the boats for next year's programme been requisitioned, and have orders been placed, or is the new programme still outstanding, so far as construction is concerned?

Mr. MACDONALD (Kingston City): A few boats are still to be placed. However, by far the greater number have already been ordered. While this is a matter which might more properly be dealt with by the Department of Munitions and Supply, I have in my hand a list of the boats built in Nova Scotia since the beginning of the war. My figures show that the total number stands at 126. That looks like a great many, but from the point of view of Nova Scotia the unfortunate thing is that most of these boats were small craft, such as pulling boats, whalers, crash boats, cutters, some scows and a few tenders.

Mr. REID: Has the minister the information for British Columbia?

Mr. MACDONALD (Kingston City): I will come to that later. So far as I can ascertain, the total value of ships ordered in Nova Scotia so far stands at $930,000.

Mr. BLACK (Cumberland): Only $930,000 in a programme of $50,000,000.

Mr. MACDONALD (Kingston City): Up to date, yes. The point to be remembered is that one steel ship, such as those built in British Columbia, on the lakes or on the St. Lawrence is worth a great many times more than the value of the wooden ship. Ten steel ships which would run to a value of six or seven millions of dollars would easily outstrip fifty or perhaps one hundred wooden ships. As a matter of fact, Nova Scotia, building 126 wooden ships, receives only a total of $930,000. On the other hand, it would seem to me that the total orders already placed in British Columbia—and these figures include some cargo ships—stand at something like $38,000,000.

Mr. STIRLING: How many ships does that represent?

Mr. MACDONALD (Kingston City): This amount includes a large item for cargo ships, concerning which I have not the exact information. Leaving out, however, the cargo ships, we still have an item of $24,000,000 in British Columbia.

Mr. STIRLING: How many ships does that represent?

Mr. MACDONALD (Kingston City) There are fourteen corvettes and twenty-two mine-sweepers.

Mr. STIRLING: That makes a total of thirty-six. In addition, I believe there is a considerable number of smaller craft.

Mr. MACDONALD (Kingston City): Yes, I have only given the larger ones. I have left out such things as the Fairmiles, which cost about $80,000; I have left out some scows, towing tugs and such craft. I have given the larger ships of the corvette class.

Mr. STIRLING: The minister mentioned 111 vessels being supplied with degaussing equipment. What kind of craft are those?

Mr. MACDONALD (Kingston City): Those are our own ships: corvettes, mine-sweepers and other naval ships. That would not take in any merchant ships.

Mr. BLACK (Cumberland): In the main statement made by the minister at the beginning of this session, he made an announcement of policy with regard to the construction of destroyers and ultimately cruisers in this country. Would he care now to enlarge upon that statement and inform the committee what headway has been made, when this work will be undertaken if it has not begun already, and in what part of Canada it is proposed to carry on this construction?

Mr. MACDONALD (Kingston City): I regret to say that I have nothing very much new to tell the committee on that point, except that we have continued our efforts to get some experienced workmen from the British isles to supervise the construction of these destroyers. When I spoke on the general question of naval services last November, I think I said that the construction of destroyers was a very difficult undertaking, which would require the services of some men especially skilled in that work. We approached the British Admiralty with a view to getting those men, and we have every hope that they will be here shortly to undertake the supervision of the construction of our destroyers. As to where these destroyers will be built, I am not in a position to make any statement at the moment.

Mr. MacNICOL: Is the minister in a position to say where the destroyer steel is to come from; that is, the steel to be used for the plates? Is it coming from Great Britain, or will it be made in Canada?

[Mr. A. L. Macdonald.]

Mr. MACDONALD (Kingston City): I think the whole thing can be made in this country. I think we can make the destroyer and all its machinery.

Mr. EMMERSON: I understood the minister to mention an item for degaussing. Is that to take care of merchant ships plying between England and Canada?

Mr. MACDONALD (Kingston City): No. I think I said that item covered only naval ships, our own ships in the naval service.

Mr. BLACK (Cumberland): It is unfortunate that there has not been continuity of discussion of subjects under this resolution. I was disappointed that we were not able to continue with the discussion of the shipbuilding programme after the Minister of Munitions and Supply made his statement this afternoon. I believe this is one of our most important war undertakings, ranking second only to the construction of aeroplanes. Not long ago Lord Beaverbrook made an appeal for ships, and said we should go to the four corners of the world to find them. Canada should be doing her share in this connection.

I think all hon. members will agree that in a programme of this kind Nova Scotia, which made such a reputation years ago in the building of ships that sailed over all the seas, should receive first consideration. This afternoon the hon. member for Davenport discussed the possibilities of a shipbuilding programme on the great lakes. Unfortunately, ships built on the great lakes are constructed of raw materials coming principally from the United States. I believe that if Canada wants to carry her full share of the burden, these ships should be constructed from our raw materials processed and fabricated in Canada by Canadian labour.

It is realized now, even more than in the last war, that the construction of ships is of supreme importance, yet we are not nearly as far advanced in such work as we were at that time. The Minister of Munitions and Supply said that the programme already outlined would require all the shipbuilding capacity of Canada, and would employ all the workmen qualified for such construction. I do not believe that our capacity has been even nearly reached as yet, and I think much of the shipbuilding should be done in Nova Scotia. To some extent that would compensate for the relatively small volume of war orders which have been placed there.

In the last war, under the direction of Colonel Cantley, six or more steamers of from 2,000 to 4,000 tons were constructed in the county of Pictou. I understand that of these

at least one, the *Watuka*, is still in service, operating between Louisburg and Halifax. Other boats constructed at that time included the *War Wasp* and the *War Bee*, taken over by the British government before launching. The *War Wasp* was torpedoed three times, but survived.

Those ships were constructed out of materials processed in Canada, largely in Pictou county. I understand that plates up to fifty inches in width were rolled at that time, together with the steel frames, but such work has not been undertaken during this war. It may be that wider plates are required in the construction of ships to-day. If that is so, I believe a rolling mill should be provided in the maritime provinces in order that this work might be carried on. If wide plates are required, mills capable of doing that work should be established in Nova Scotia. I agree with the hon. member for Cape Breton South that the mill at Sydney, on which about $4,500,000 was expended during the last war, should be reconditioned and put into service once more.

Unfortunately, so far as Nova Scotia and the Cape Breton steel industry are concerned, almost the entire output goes to the British market for war needs in the form of billets. That is a splendid accomplishment of which we are all proud. That production, involving the consumption of more than a million tons of coal annually, and our biggest industry, will likely cease almost immediately on the cessation of hostilities, which we hope will not be long delayed. When that happens, this industry, which is performing such a necessary and vital service, will be closed. It should be the policy of the government to give special consideration to this problem. A committee representing the maritime provinces should be set up to see that war orders are distributed more fairly, especially for industries that will carry on after the war.

The same applies to ship-repairing which is so necessary at this time. This is being carried on effectively at our eastern ports, but such work will cease in a great measure upon the termination of hostilities. Nova Scotia may be in a worse position than it was before the war. The steel mills at Sydney might well be enlarged to provide additional steel for shipbuilding. The plate mill should be operated so that we would have available raw material during and after the war. This material should be produced by Canadian workmen, using Canadian materials and for the advantage of Nova Scotia after the war.

The Minister of National Defence for Naval Services has said that quite a large number of wooden ships are being built in Nova Scotia. That is all right as far as it goes, but more orders should be placed with the shipyards which were producing ships in the old days. Wooden ships were used during the last war to carry cargoes across the ocean. These ships can be powered with internal combustion or diesel engines, which have been developed to such an extent since the last war. This class of vessel could replace steamers now occupied in the coastal trade, which could then be utilized for transatlantic commerce. I believe more could be done by the Department of Munitions and Supply and by the Department of National Defence for Naval Services by way of enlarging the shipbuilding programme in Nova Scotia. I do not agree with the Minister of Munitions and Supply that we are working to anywhere near our capacity in building ships. If this is as important as it would appear from the appeal by Lord Beaverbrook to the British people the world over, then the capacity of Nova Scotia to build steel and wooden ships should be utilized to the utmost. I appeal to the Minister of National Defence for Naval Services and the Minister of Munitions and Supply to direct the efforts of their departments to this end.

Mr. O'BRIEN: Following the hon. member for Cumberland (Mr. Black) and with the tang of the sea of the maritimes in the air, it seems to me that, as another "wise man from the east", perhaps I should make a few remarks, particularly with reference to shipbuilding, in which I have been interested for some time and in which I have attempted to interest the Department of Munitions and Supply.

First of all, may I take a few moments of the time of the committee to make a brief historical reference to the constituency of Northumberland, which I have the honour to represent. Hon. gentlemen will recall that prior to confederation the question of a united Canada was discussed pro and con. I think it is worth noting that New Brunswick was the only province in which the people were permitted to give a decision through the franchise as to whether or not they would enter federation. At that time elections were held on different days and the vote was taken first in Northumberland on May 26, 1866. The county sent four members to the legislative assembly with an overwhelming majority in support of confederation. Since New Brunswick was the only province which gave its decision through the franchise, and since Northumberland county was the first county to vote in favour of confederation, I think I may with all due modesty claim that my seat in the House of Commons is perhaps the very corner-stone of the foundation of confederation.

Northumberland has produced many famous men. If not by birth, certainly by environment, we produced the Right Hon. R. B. Bennett. I would refer also to Lord Beaverbrook, to whom the eyes of the world look for assistance in this terrific struggle. Northumberland had the distinction of having two fathers of confederation, an outstanding historical event.

Mr. BLACK (Cumberland): Cumberland had four.

Mr. O'BRIEN: Probably Cumberland needed four as against Northumberland's two. I do not want to take up the time of the committee with historical references, but I should like to refer to an old member from that county. Mr. W. S. Loggie is now ninety-one years old, taking an active interest in present day events. He was speaking in this house when the House of Commons caught fire in 1916. I hope that no similar disaster occurs at this moment.

To get down to the matter of shipbuilding, the reason why I am now on my feet, I do not wish to be considered as wailing over the conditions which prevail in Northumberland county. We consider ourselves to be rugged individualists, and we and our forefathers have always tried to maintain ourselves without applying to other governmental bodies for assistance. On May 26, 1866, our forefathers went to the polls with high hopes in their hearts. As I speak here to-night I wonder whether those high hopes have been fulfilled. I should like to place on record some information contained in the submission by the municipality of Northumberland to the royal commission on dominion-provincial relations. Quoting from page 9, I read:

> There is a great deal of unemployment and much poverty in the county. Perhaps it is this increase in unemployment and poverty that has given the marked increase in tuberculosis and insanity.
>
> The assistance to the poor is a parish affair and as little outside relief as possible is given.

And again:

> Certain obligations and services now performed by the municipality should be taken over by the province or the dominion or at least there should be a greater contribution therefor paid to the municipality by the province or the dominion or both.

That submission was made prior to the war. One might believe that in an all-out war effort similar conditions could not prevail, indeed could not be foreseen at this time. I hope it may not be thought that while we sit in this committee pondering national problems, my references may seem to be parochial. I represent this constituency and my constituents look to me for some measure of help and assistance. In 1932 the gross bonded debt of the municipality was only $42,000, with $22,269 of a sinking fund, leaving a net debt of only $19,730. The final figures quoted in this submission are for 1937, by which date the gross debt of $42,000 had multiplied exactly ten times in five years and stood at $420,000. In the intervening years since 1937, the debt has reached the astounding sum of very close to $600,000, largely due to the years of depression and the severe and difficult times through which that municipality passed.

To explain the situation fairly to this committee would take too long a time and would be too involved a matter. I have no intention of doing so, but I should like to cite from the submission that paragraph which says:

> The conclusion that unemployment has become a national problem and should be dealt with as such is rather obvious. We submit that the matter of unemployment relief has grown to such proportions that it has long since ceased to be a subject of local or private interest and has become one of national concern.

As I said, that was pre-war, pre-September, 1939. Since then, money has been expended at such a terrific rate that perhaps even the Minister of Finance (Mr. Ilsley)—and I say this not unkindly—has not been able to keep up with the terrific pace because through no fault of his own, after bringing down this resolution asking the house to appropriate $1,300,000,000 for war expenditures only a few days later he announced that $160,000,000 more was required. And so the expenditure goes on at this terrific rate. Yet the municipality of Northumberland, after passing through the most severe years of the depression to which I have referred, now finds itself—I hope I am not prophesying that which may happen, but I cannot see any other outcome—entering upon what we believe will be another period of depression, because the constituency which I represent depends largely upon fishing, and particularly upon lumbering.

Prior to the war we were making shipments to Europe, to a country which I would not in present circumstances care to mention as being that country upon which our people had to depend for their livelihood and sustenance. That is perhaps a travesty upon what we call our democracy and perhaps upon our commonwealth of nations. That, however, is in the past, and I hope that when peace is declared, such conditions may not prevail again.

Realizing as I do that in times of war we must submit ourselves and our desires to the overwhelming demands of the war effort and that people in various localities throughout Canada must suffer to a certain degree, never-

theless with a view to alleviating the possible, perhaps probable suffering in the constituency I represent, I plead with the government to attempt to do something, within the scope of the war effort, for the people of my constituency, and it might perhaps be shipbuilding. That has been referred to by hon. members from Nova Scotia, where shipbuilding has been carried on more extensively in recent years. The Miramichi has a wonderful history of shipbuilding dating back to 1796, when ships were first built there and pine masts were shipped across the Atlantic for his majesty's navy. From that time down until 1860 or 1875 we were building ships there. True, we have not built any ships in recent years, although we built one sailing ship during the last war. The Minister of Munitions and Supply, and perhaps rightly so from the point of view of budgeting and watching the national purse as we believe at least the national purse should be watched, has not so far done anything in approximating volume for us in the maritimes, in shipbuilding, maybe because we have not the trained men. I admit that we have not the trained men in Miramichi, but I submit that if we have not these men already trained, they at least are there and it is our duty to attempt to train them so that they may be enabled to earn their livelihood.

Seventy-five years ago, Mr. Chairman, we did not have a Dominion of Canada, and eighteen months ago we did not have a Department of Munitions and Supply. All these things have been created because of the necessity of the moment. Now that the timber controller in the United Kingdom has stopped the purchases of our lumber—I hoped at first that this would be but a temporary measure, but now I believe that it will be permanent—with that in the offing, the people of Northumberland county are faced with the prospect of going through this summer and into next winter with virtually nothing to do in the way of earning the living to which they are entitled. Therefore, I plead with the minister, yes, with the ministry, to see if he or they cannot possibly do something for the people of my constituency.

We hear a great deal these days that we must "stick to fundamentals"; but when one asks what these fundamentals are, no definite answer is given. The only fundamental I know, pre-war, and the only reason for having government and for having these houses of parliament, is to create some degree of happiness so that the people for whom we legislate may be able to live, not in luxury necessarily, but at least in happiness and contentment.

Since the war broke out, the one overwhelming fundamental is the winning of the war. If, however, our finances have in some way become so tangled that we must pay tribute to an inanimate thing called gold; if human happiness must circulate about that gold standard, we have perhaps reached the point where it has ceased to be of any useful value in the lives of the ordinary citizens.

I know little about financial problems in the higher involved order, and I have met very few others who seem to know just what it all means; but I do maintain that at the present time—I hope I am wrong—the dollar sign seems to be the guiding factor, and in Canada the dollar sign seems to be almost placed upon the glorious union jack. That, I think, we dare not have. If the people of Britain need our products of the maritimes; if they need ships, then in this fight to save democracy and civilization we should give everything we possibly can even if we must do it "on the cuff", as a matter of credit. It seems strange to me that we here in Canada, directly connected with and a part of the British empire, should find our cousins to the south virtually giving to that empire in order to save those things in which the people of the United States believe, while we here in Canada apparently cannot do that, but must have Canadian dollars of which Britain is now running short.

These matters are all too involved for me to attempt to solve them or even to explain them because, after all, I am only thinking out loud, which is what I believe most members of the house are doing. Yet perhaps in thinking out loud we may arrive at some possible solution that would be of benefit not only to the people of my constituency to whom I am responsible but to the whole dominion. Therefore, so long as I occupy this seat in this house, I dedicate myself and this seat to the service of the government, not in any maudlin way that would assume the government to be letter perfect in everything they do, but rather in a constructive sense. It is for that reason I have until now refrained from taking up the time of the house in making what I think have been perhaps somewhat neutral speeches. Again I dedicate myself and my seat to the members of the government individually and collectively so that, as a unit in the constitutional government of this country, I, during my tenure of office, may satisfy at least myself that I have done what I think is the decent thing.

Mr. MACDONALD (Kingston City): The hon. member for Cumberland raised somewhat the same question as was raised last week by the hon. member for Queens-Lunenburg.

As far as the building of ships in Nova Scotia is concerned, there was only one firm in Nova Scotia at the beginning of the war, and I think there is only one now, that would undertake the building of steel ships, namely, the Halifax Shipyards, Limited. Nobody else in that province was equipped to build steel ships, but this firm could have built mine-sweepers or ships as large as 10,000 tons. It was felt, however, that they could better devote their energies to the repairing of ships, and they have been very busily engaged in that work since the beginning of the war. In New Brunswick the Saint John Dry Dock company or a subsidiary have now the contract for the building of three corvettes, and they also have a good deal of repair work.

At that time, no other yards in either province could undertake the building of a steel ship of any size, and up to the present the policy of the government has not been to bonus or subsidize shipyards, in view of the fact that there are at the present time and were at the beginning of the war fifteen or sixteen or perhaps twenty yards in Canada which could undertake the building of steel ships.

After I came to Ottawa I had many requests from Nova Scotia asking money from the government for the repair or establishment of shipyards for the construction of wooden ships, or perhaps, steel ships. Obviously it would be rather unfair to existing yards which have been developed by private capital for the government to go in and erect government yards when there were enough existing yards in the country to carry on such work as was available.

With regard to wooden ships, I have given my hon. friend some figures indicating that orders were placed in Nova Scotia for some 126 wooden ships. They were mostly small ships, but there were two classes for which orders were placed a few months ago, many of which I hoped, would be built in Nova Scotia. These were the Fairmile boats, the motor launches 112 feet long, and the wooden mine-sweepers.

To show that every effort was made to get Nova Scotian builders into the production of wooden ships, I may say that my colleague the Minister of Munitions and Supply sent down last August the director of shipbuilding, Mr. Carswell, who surveyed all the shipyards in the east before the orders for these wooden ships were placed. It seems to me that if the Nova Scotian builders, in view of the fact that twenty-four ships were to be ordered in the Fairmile plant, had wanted the work, and if their bids had been low enough, they could easily have got eighteen or twenty, because there is no question that my hon. friend is right when he says that the proportion of money going to Nova Scotia for shipbuilding is very small as compared with the sums which have gone to Quebec, Ontario or British Columbia. It is out of proportion in relation to a great shipbuilding province such as Nova Scotia. Therefore it was the desire of my colleague the Minister of Munitions and Supply, and, the hon. member for Cumberland will agree, it was my desire to see perhaps eighteen or twenty of these Fairmile boats built in Nova Scotia. That would have meant orders amounting to something like a million and a half dollars for the wooden shipyards of that province. What happened?

Mr. MacNICOL:: The Fairmile ships of which the minister is speaking are mahogany ships, are they not?

Mr. MACDONALD (Kingston City): Mahogany planking and so forth, yes.

Mr. BLACK (Cumberland): What is the value of a boat?

Mr. MacNICOL: It is $112,000.

Mr. MACDONALD (Kingston City): No; it is a little less than that. It is something around $90,000 for the hull. It is under $100,000; I have not the exact figures here.

Mr. Carswell went down to Nova Scotia, looked at the yards, and discovered that there were a good many which were capable of building the ships. Tenders were invited from those yards; the government of Nova Scotia interested itself in the matter, called a meeting of the shipbuilders, urged them to go on; called a second meeting of the shipbuilders, sent to Ottawa a delegation of shipbuilders accompanied by a minister of the crown in Nova Scotia; but after all that work the only Nova Scotian tender which was at all comparable with tenders from Ontario and British Columbia in the matter of wooden ships was one by a man at Weymouth, who tendered for and received a contract for two ships.

Mr. MacNICOL: At what price?

Mr. MACDONALD (Kingston City): Only three other tenders were received, and none of them was at all within the mark. That is the Fairmile story.

Mr. GILLIS: On that matter of tenders, would the minister make this clear: how did the Nova Scotia tenders compare with others, and what is the reason for the tenders from Nova Scotia being higher? A desire for more profits? How does the minister explain such a difference?

Mr. MACDONALD (Kingston City): Well, I do not know. All I know is that the government of Nova Scotia urged these people to get their tenders down as low as possible, because we knew the competition would be stiff. These people had plenty of time to consider the plans; indeed, they were given extensions of time for that purpose. In spite of that, there was only one man who could meet the price advanced by builders in British Columbia and Ontario. What the reason is I do not know.

Mr. MacNICOL: Is not the reason that, so far as Ontario is concerned, a great number of boats of this type are in use, and large numbers are made, in the counties of Muskoka and Parry Sound and Midland, and towns adjacent to Georgian bay? That is where these classes of boats are used.

Mr. MACDONALD (Kingston City): Yes; there is a good deal of that sort of building round the Georgian bay district and Midland, but that does not answer the question of the hon. member for Cape Breton South.

Mr. REID: British Columbia pays the highest wage.

Mr. MACDONALD (Kingston City): British Columbia pays a high wage. Of course there are firms in that province which have done a great deal of shipbuilding in recent years. They have splendid timber, and for some reason or another they are able to underbid Nova Scotians for the construction of these ships.

The next type of wooden ship, in size, which we had to build was the mine-sweeper. Eight of these mine-sweepers were for the British Admiralty and were built to their specifications. It is true the specifications called for expensive woods, such as teak, which Nova Scotia people were not entirely accustomed to, but neither, I suppose, were the builders in other parts of Canada. Every Nova Scotian builder of any consequence was given a chance to bid on these mine-sweepers. I have here a list of twelve builders who were asked to bid and who did bid. The first eight of these British ships—the whole eight—were awarded to Nova Scotia. What has happened? Four builders have renounced their contracts. They have said that they will not go on with the contracts to build these ships because, as they are honest enough to admit, they do not think they can do it for the money in the time specified, and they have asked to be released. That is the story with regard to the mine-sweepers.

Everything possible has been done. I should think, in fairness to the builders in that province, both by the authorities here and by the government of Nova Scotia, but there is an unfortunate condition. It may be, as my hon. friend pointed out, that the builders there, accustomed to working on a small scale, have not the necessary capital. It may be that when they saw the expensive wood that would be required, such as mahogany and teak, which will have to be imported and paid for, they felt that they had not the capital necessary to undertake the work. Whatever the reason may be, there is the result. It is unfortunate, but I do not see that anything more could have been done here.

One other word. My hon. friend said he thought the matter of shipping was second in importance only to aircraft and aircraft production. It is my judgment that it is second to nothing at all in the winning of the war. So long as Britain remains an island and so long as she has to get supplies from overseas, shipping and the protection of shipping will be absolutely vital to the life of that country. There is no question in the world about it. We must have not only cargo ships to carry supplies to England but ships of other kinds which are just as necessary—underwater craft, surface craft and, at other stages, aircraft for purposes of protection.

That brings me to this point. You cannot take a navy, whether it be a merchant navy or a service navy, and turn out its ships and its men overnight. This afternoon I was pondering the time it takes to train an officer in the navy. Someone has asked how many men were promoted from the ranks, and what educational qualifications were required. I believe I told the hon. member for Vancouver East that at least senior matriculation was required for entrance into the Royal Canadian Navy, but after that a cadet would have to go to naval college at Dartmouth, England—I am talking of peace time—for a period of about two years. He would then be made a midshipman and be at sea for about a year and six months or two years more. Then he would be a sub-lieutenant for a year and a half or two years more. He would then take some courses of about six months to qualify as lieutenant. At the end of six years of study, after he had acquired matriculation standing, he would be a lieutenant in the navy. At the end of another eight years he would be a lieutenant commander. Thereafter his promotion would depend on merit and selection.

You cannot turn out such men overnight, nor can you turn out skilled shipbuilders overnight. The thing to remember in this house in future is, I think, that whatever you may be able to do in other respects, and without in any way attempting to depreciate the importance of other services, the naval service is one the nucleus of which, both in

service personnel and in shipbuilding personnel, should never be allowed to decrease below the danger point. It has been allowed to decrease below that point here and in other countries as well in the last twenty years, and this and other countries are feeling the effect to-day.

We are trying our best to train men for the navy to man the ships we are building, and it is not an easy task in view of the high calibre of training required in a naval officer or even a petty officer. As regards the shipyards of the country, the programme which was agreed to in 1939 for shipbuilding in Canada, estimated at four years, is going to be compressed into the space of two and a half years. Every ship that we planned to build up to the year 1943 will have been completed in 1942.

Mr. MacNICOL: But not destroyers?

Mr. MACDONALD (Kingston City): No, because the plan had not contemplated destroyers. I am speaking of the plan made in 1939 on the basis of what was then considered to be the capacity of Canadian yards. We said that we could build so many corvettes, mine-sweepers and patrol boats; that was all that we could do, and the plan was to last until the end of 1943. That plan will be completed next year owing—I think it is fair to say—to the enterprise, courage, skill and energy of the shipbuilders of the country who have done a magnificent bit of work in this regard.

Mr. BLACK (Cumberland): Accepting the statement of the Minister of National Defence for Naval Services, that the building and maintenance in operation of ships constitutes the most important of our war activities, and accepting the assurance of the Minister of Munitions and Supply that he is endeavouring to harness the shipbuilding capacity and the man-power of Canada to its utmost, I feel that some special effort should be put forward to get the production that can be derived from Nova Scotia and New Brunswick. I am satisfied that if proper efforts are made, a very much increased programme of production can be obtained in Nova Scotia. I am of opinion that the time has come when the yards and the facilities and the men should be subsidized and encouraged in order that the shipbuilding programme can be pressed to its utmost limit, and I should hope that the Minister of National Defence for Naval Services and the Minister of Munitions and Supply would make special efforts to this end.

I was surprised to see the following Canadian Press dispatch from Shelburne, Nova Scotia, yesterday, showing that this yard has no construction work. I quote:

[Mr. MacNicol.]

Shelburne, Nova Scotia, March 16 (C.P.) The 118-foot freighter U.K. service IV was launched Saturday from the ship yard of Winslow Mackay Sons Limited and shortly after that officials of the company announced they were closing down the yards for lack of further orders. The 149-ton wooden vessel built for a firm at LaHave, N.S. was the 14th turned out by the plant in the last year.

We accept this as correct, coming from the *Canadian Press*. It seems to me that with the present need for the building of ships, this condition should not exist. There should be officials from the Department of National Defence for Naval Services and the Department of Munitions and Supply following up the work in these yards, to see that new construction is offered to them to the limit of their capacity. Not only should the yards be given business to the limit of their present capacity, but they should be expanded, as has been done in connection with munitions factories, largely in central Canada. I suggest there should be some explanation as to why a dispatch such as I have quoted should be sent across Canada at a time like this, when there is such pressing need for more ships of many kinds.

Mr. MACDONALD (Kingston City): I had intended to deal with that matter when I spoke earlier, but it slipped my mind. The hon. member has referred to the shipyards of Winslow Mackay Sons Limited at Shelburne. I would reply that the Mackay company were asked to tender on the Fairmiles, but did not put in a bid. That happened last fall. They were again asked to bid on the mine-sweepers. They said they would not bid on that type of boat, but they might be interested in a somewhat similar type of boat built on Canadian designs and of Canadian material. The Mackay company has had some work from the government, although not a great amount. I believe it has built three derrick scows, four float scows, and four wooden lighter skids, but it has not bid on the larger wooden ships.

Mr. MacNICOL: What about the machinery used on those lighter ships?

Mr. MACDONALD (Kingston City): They do not have to provide the machinery.

Mr. MacNICOL: Then how are they going to build Fairmile boats?

Mr. MACDONALD (Kingston City): Is the hon. member referring to the building of engines?

Mr. MacNICOL: No; the machinery for planing, and fitting up the woodwork.

Mr. MACDONALD (Kingston City): Mackay has as good facilities as any yard in Canada.

Mr. MacNICOL: For Fairmile construction?

Mr. MACDONALD (Kingston City): Yes; nobody can turn out a better yacht than Mackay.

Mr. MacNICOL: I am glad to hear that; and yet they would not tender.

Mr. MACDONALD (Kingston City): They would not tender, no.

Mr. KINLEY: I am glad the minister said that, because Mackay is one of the finest shipyards in the east. I have information that they were figuring on a ferryboat for the city of Halifax at the time these tenders were asked. In order to be sure that they could do the work they were tendering on, they stuck to the other boat. I believe the contract has since been awarded to a firm at Dartmouth. It may be that some of the firms which were at that time figuring on the Dartmouth ferry might now be open to figure on these other boats, if they were asked to.

Mr. STIRLING: Examining the two sets of figures appearing at page 1495 of *Hansard*, I would suppose that the first one sets out the amount of money required for the next fiscal year, and the second one contains figures relating to expenditures in the present fiscal year, up to January 31.

Mr. MACDONALD (Kingston City): Yes

Mr. STIRLING: In neither figures do I see any reference to armaments and guns.

Mr. MACDONALD (Kingston City): Armament stores appear in both lists.

Mr. STIRLING: Armament stores usually apply to ammunition.

Mr. MACDONALD (Kingston City): It includes ammunition and guns, and such things as mines, depth charges, ammunition, reserve ammunition and so on.

Mr. POULIOT: I wonder whether it would not be possible to-morrow for the Minister of Finance (Mr. Ilsley) to give a full statement of the representations which have been made regarding the repatriation of funds. Something was said about it in the press. There is now a mission, and I believe most of the work is done by one missionary, Sir Edward Peacock, who is now in the United States, selling British capital.

Besides the statement about repatriation, I should like to know if Sir Edward will come to Canada on the same mission, and if part of his mission is to sell the stock of the Canadian Pacific Railway to the Canadian government. I am more interested in it because Sir Edward himself is a director of the Canadian Pacific Railway, and all the movement behind a union government converges on the amalgamation of railways.

In addition to that, it would be interesting to see the connection of the Hon. Charles Dunning with the directors of the Canadian Pacific Railway, showing the boards on which he sits with the directors of that railway. All that is done behind the stage, and we, of course, need information about it.

I remember reading in the press some months ago a statement about the repatriation of funds for the Grand Trunk Railway. The question was not decided for a long time; but finally some pressure was brought to bear, and a decision was reached regarding the repatriation of those funds. These are general questions, and I can understand that it would be impossible for the minister to answer them to-night. I shall be pleased, however, if he would look at *Hansard* to-morrow, and see what he can do about giving an answer.

People are ready to make sacrifices for war, but the question is as to what is properly called war. It is most absurd to think that the Canadian people will suffer privation to increase the value of the stock of the Canadian Pacific Railway, and to give some schemers an opportunity to make much more money at the expense of our people. The feeling in Canada is strongly against amalgamation of the railways. Those who are for it do not come out boldly; they try to get it in some other way, in a different way from that to which we are accustomed. The purpose of the last union government was not to win the war; the railway business was behind it, and now there is another railway scheme behind the move for a union government. That is known by everyone. We want some enlightenment on the matter. I do not wish to take the minister by surprise. I respect and admire him, but the matter is of such tremendous importance that we are entitled to full information about it, which I hope the minister will be kind enough to supply. I am not making any attack on Mr. Dunning, although it would be very easy for me to k.o. him. I am just asking for facts. The matter is so serious, so important, that we should not show false sympathy to anyone who is behind the curtain.

Mr. MARTIN: The hon. member for Simcoe North is behind the curtain.

Mr. POULIOT: He is there, but he is not offensive.

There is another matter that should be investigated as well; that is, the Purvis business, the C.I.L. We must have full light on the C.I.L. and all the interlocking companies. After the Minister of Finance has answered

those questions, with regard to the amalgamation of the railways and Mr. Dunning's connections with the Canadian Pacific Railway, and so on, I shall have other and more interesting questions to ask the Minister of Munitions and Supply. But everything in good time; I am not in a rush. We are here to take our time, to judge the pros and cons of everything. I am not acting in any spirit of animosity.

Let me add one further word. Last year when I mentioned to the leader of the official opposition that some people were receiving large fees and high salaries, some members of the Conservative party protested vehemently, and the leader of the opposition said he had resigned all his directorships when he was appointed leader of his party. According to *Hansard,* however, he has kept at least one, and in a guide in the library it is stated that he has several others. I do not object to that at all, but what is interesting is the connection between a man who is a director of a company and other men who are directors of the same company and who sometimes may confuse their private interests with public interest, unless they are great enough completely to sacrifice their private interests and think only of the public interest. That would be praiseworthy, but I am not yet sure that it applies in this case. I do not say that it does not apply; I am very careful, and I want to use parliamentary language. After I get the information about Mr. Dunning, I will show the business connections of the leader of the opposition, and then I will go further and show what are the jobs of those whom he defends in this house. Then people will have all the information. I do not say there is anything evil in that, but the people should have full information before we vote such amounts of money as we are asked to vote now.

There is only one further observation I wish to make. If the Minister of Finance is able to collect the amount called for in this measure, he will be the best man ever born in Canada. I know he is a good man, but we have to be very careful. Some people say, "Oh, let it go." The duty of the opposition is not to step on it but to apply the brake at times, but this the leader of the opposition never does. We have to apply the brakes from this side. I am afraid, Mr. Chairman, that if we go too far, if we become careless or reckless, the result will be that we shall have to go to the United States for money, and if we have to do that, my great fear is annexation in the near future. I fear it very deeply. I want Canada to remain a British dominion, and my constituents and I are ready to make great sacrifices in order that this may be so. We desire to be at peace with the United States, who are our allies. We want to keep them as our allies, because their interests are the same as ours in this war. On the other hand we do not want annexation at any time; and if we have to go to the United States to borrow huge sums of money, annexation will be all the closer. That is a matter to consider. I do not want to be a false prophet, but I tell the committee frankly what I think about the matter.

[Mr. Pouliot.]

Mr. NICHOLSON: Would the Minister of Finance be kind enough to make a short statement to-morrow with regard to the portion of this appropriation which may be raised by taxation and the portion which may be raised by way of loan? I think he promised a few days ago he would make some such statement.

Mr. ILSLEY: No: I did not agree to make any such statement, although I was requested to do so.

Mr. NICHOLSON: I understood that the minister said he would make a statement later on.

Mr. ILSLEY: No; I never agreed to make a statement to that effect at all. It would be impossible, for the reason that this is only part of the total requirements of the government, and it will be necesary to make a budgetary statement. I said that to make any such statement would be anticipating the budget, and that I did not think this was the debate during which that statement should be made.

Mr. NICHOLSON: I understood that in reply to the leader of the opposition the minister said he would have some statement to make.

Mr. ILSLEY: No.

Mr. ROSS (St. Paul's): I should like to ask the minister of naval affairs a question. I understood the minister to say there were seventy corvettes, but in a bulletin issued by the Department of Munitions and Supply it states that there are eighty corvettes. Are there seventy or eighty?

Mr. HOWE: Ten for the United Kingdom.

Mr. MACDONALD (Kingston City): Seventy corvettes for Canada and ten for the United Kingdom.

Progress reported.

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

Wednesday, March 19, 1941.

The house met at three o'clock.

ST. LAWRENCE WATERWAY

AGREEMENT RESPECTING DEVELOPMENT OF POWER AND PROVISION OF DEEP WATERWAY FROM HEAD OF THE LAKES TO MONTREAL

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, an agreement between the government of Canada and the government of Ontario with regard to the Great Lakes-St. Lawrence basin development was completed to-day at 1.35 p.m. It was signed at Ottawa yesterday by Mr. Howe and myself on behalf of the Canadian government and at Toronto to-day by Mr. Hepburn and Mr. Nixon on behalf of the government of Ontario.

This agreement is designed to enable the two governments in cooperation with the government of the United States to carry out the developments which are necessary to make beneficial use of the waters of the Great Lakes-St. Lawrence basin, including the development of power from the Ogoki and Long Lac diversions at the Sault, Niagara and ultimately in the international rapids section; the preservation of the scenic beauty of the Niagara river and falls and the more effective use of the waters in the Niagara for power purposes and the building of a controlled single-stage project in the international rapids section of the St. Lawrence.

An agreement with the United States of America was signed at Ottawa at 2.40 this afternoon in the Prime Minister's office by the plenipotentiaries appointed by His Majesty the King in respect of Canada: myself as Secretary of State for External Affairs, Mr. Howe, Minister of Munitions and Supply, and Mr. Read, legal adviser of the Department of External Affairs; and by the plenipotentiaries appointed by the President of the United States of America: Mr. Moffat, the United States minister to Canada; Mr. Berle, the Assistant Secretary of State of the United States, and Mr. Leland Olds, Chairman of the Federal Power Commission of the United States. This agreement covers the development of power throughout the Great Lakes-St. Lawrence basin and makes provision for a deep waterway from the head of the lakes to the harbour of Montreal. It also contains provisions dealing with and controlling diversions from the Great Lakes-St. Lawrence watershed and for the preservation of the scenic beauty at Niagara. Generally, its scope is similar to that of the Niagara convention of 1929, and the St. Lawrence Deep Waterway treaty of 1932.

The copy of the signed agreement for the President of the United States of America is being taken to Washington to enable the president to communicate it, in a formal manner, to the United States congress. The agreement will be formally brought to the attention of congress on the afternoon of Friday, the 21st. On the same day, when the House of Commons assembles, it will be communicated to the parliament of Canada together with the texts of the Canada-Ontario agreement, the texts of relevant correspondence between Canada and the United States from May, 1938, to the date of signature of these agreements, the texts of relevant correspondence with the governments of Ontario and Quebec during the same period, and a general plan of the power and navigation development in the international rapids section. In order to permit simultaneous publication in congress and in parliament, the agreements will not meanwhile be tabled.

By an exchange of correspondence tabled in the House of Commons at an earlier date, provision was made for the establishment by the two governments of temporary Great Lakes-St. Lawrence Basin committees, in order to make the engineering investigations that were necessary to expedite work on the project, in the event that the development was approved by parliament and by congress. Reports addressed to the President of the United States of America and to the Prime Minister of Canada have been submitted by these committees, which have been working in cooperation. These reports give the general description of the project, the recommendations of the committees and the estimates of costs.

I shall now table copies of these reports in English and in French. They will be distributed without delay.

The report being tabled is styled:

St. Lawrence Deep Waterway, International Rapids Section.

Reports submitted to the President of the United States of America and the Prime Minister of Canada by the Canadian temporary Great Lakes-St. Lawrence basin committee and the United States-St. Lawrence basin committee.

1. Joint report submitted by the committees.
2. Engineering report transmitted by the committees.
3. Detailed estimate of cost.

The question of the relationship of the St. Lawrence waterway project, both to the immediate war effort of our country and to the broader defence problems in which the governments both of Canada and the United States of America are interested, has been carefully considered by the two governments. I deem it advisable immediately to bring to the attention of parliament the exchange of cor-

respondence, which contains a personal message addressed to me by the President of the United States of America, with regard to this aspect of the question. I do not think that it would be desirable to comment on Mr. Roosevelt's statement at the present stage, but I feel bound to express the satisfaction and gratification of the government, and, I am sure, of all Canadians, at the president's action in placing on record in a formal state paper the determination of the government of the United States to supply such aid and material to Great Britain, the members of the commonwealth and their allies, as may be necessary to enable them to bring the war to a successful termination. As these communications are of the greatest possible public interest, I shall now read to the house the exchange of notes between the United States minister and myself of March 5 and March 10, which contain the message referred to.

The following is the message addressed by myself as Secretary of State for External Affairs to Mr. Moffat, the United States minister to Canada. It is dated Ottawa, March 5, 1941:

Sir:

I have the honour to refer to certain questions which have arisen in the course of the St. Lawrence waterway negotiations, and which we have discussed recently.

As you are aware, my colleagues and I have been giving prolonged consideration to the problems presented by the St. Lawrence waterway project. We have noted the progress made in the preparation of the engineering plan for the international section and in the drafting of the general agreement. There is, however, one consideration of a fundamental character to which we desire to call attention.

The growing intensity of the war operations and the apprehension that still more serious perils will have to be faced in the very near future, necessitate the most careful examination of any proposed expenditure from the point of view of public need and in the light of war requirements.

In existing circumstances, the Canadian government desires to know whether the government of the United States is of the opinion, in view of the position in Canada, and, of course, the position in the United States as well, that the project, as outlined in the State Department's proposals of 1936 and 1938, and under consideration since that time, should now be proceeded with.

We have, of course, been fully aware of the desire of the government of the United States to have a treaty or agreement respecting the St. Lawrence waterway concluded at as early a date as possible, and negotiations, which have been carried on or more or less continuously for some time past, have had in view the desire on our part to arrive, at the earliest possible date, at terms of agreement which would be mutually advantageous. We are also aware of the pronouncements, which have been made from time to time by the president, respecting the added emphasis given by the war to the importance alike of power and navigation developments in the Great Lakes-St. Lawrence waterway project. We are also duly appreciative of the agreement recently reached between our respective governments, whereby the province of Ontario has obtained the right to the immediate use of additional power at Niagara, and the diversion of the waters of the Ogoki and Long Lac rivers into lake Superior, in consideration of which, authority was given for the immediate investigation by United States engineers of the project in the international section of the St. Lawrence river in Ontario, in order to enable work of future development to proceed with the least possible delay, once an agreement between the two governments, respecting the St. Lawrence development was concluded.

We would naturally be prepared to give every consideration to power or navigation developments which the United States may deem necessary to the prosecution of measures calculated to aid Great Britain, Canada and other parts of the British commonwealth of nations in the present war, or to further the security of the United States itself against possible future events, which, at the moment, cannot be foreseen, but of which in times like the present full account must be taken. We realize that the government of the United States will be as solicitous as our own government to appraise the project at the present time in terms of its contribution to the efforts which are being put forward by our respective countries to preserve and to restore freedom.

It is from this point of view and in this spirit that we would ask that the St. Lawrence project be again reviewed by the government of the United States before an agreement or treaty be finally entered into.

Accept, Sir, the renewed assurances of my highest consideration.

W. L. Mackenzie King,
Secretary of State for
External Affairs.

To that communication I received from Mr. Moffat, the United States Minister to Canada, the following reply:

Legation of the United States
of America
Ottawa, March 10, 1941.

Sir:

I lost no time in bringing to the attention of my government your note of March 5 in regard to the St. Lawrence waterway negotiations. In view of the importance of the question you raised, the matter was laid before the president, and I have been instructed by way of reply, to transmit the following personal message from him to you—

The remainder of this communication is in quotations; it is the message from President Roosevelt:

"I have given careful consideration to your recent request that in view of the growing intensity of current war operations and the apprehension over perils which may have to be faced in the near future, the government of the United States review the St. Lawrence project and give you an indication of its views as to whether, in the existing circumstances, this project as outlined in the State Department's proposals of 1936 and 1938 should now be proceeded with.

"May I say at the outset that I am aware of Canada's increasing war effort and I readily agree that it must have first call upon your country's resources and man-power. I also

agree that in view of the existing situation the most careful examination of any proposed expenditure is necessary from the point of view of the public need and in the light of defense requirements.

"With these considerations in mind the government of the United States has as you requested reviewed the St. Lawrence project. We have welcomed this occasion to review the project because of the fact that our own defence programme renders it desirable that all public expenditures in the United States be weighed in the light of considerations similar to those set forth in your communication. The government of the United States is engaged in a great defence programme. It is determined to supply such aid in material to Great Britain, the members of the commonwealth and their allies as may be necessary to enable them to bring the war to a successful termination. Simultaneously our own defences are being strengthened to the extent necessary to prevent any foe from menacing the security of this hemisphere. It is indispensable that all public projects contemplated by the government of the United States be considered from the standpoint of their relationship to these supreme objectives.

"The government of the United States regards the Great Lakes-St. Lawrence basin project as directly associated with the accomplishment of the foremost national objectives of this government. It believes that the project should be proceeded with and that construction should commence at the earliest possible moment. It regards the construction of this project as a matter of vital necessity.

"You refer to the engineering investigation now being conducted in the international section of the St. Lawrence river. I need hardly say that I directed the release of $1,000,000 from the special defence fund for this purpose only because of my conviction that the completion of this project by 1945 might prove of vital importance to our defence effort. It is gratifying that there has been sufficient progress to make possible the initiation of construction this spring.

"I am sure you will agree with me that, while our countries must put forth maximum immediate defence effort, we must also prepare for the possibility of a protracted emergency which will call upon the industries on both sides of the border to meet constantly expanding demands. The combination of advantages offered by the St. Lawrence project makes it imperative that we undertake it immediately.

"In terms of the time factor, the St. Lawrence project as a part of our defence programme is not exceptional, since we are to-day appropriating money for construction of vessels of war which will not be ready for service until the completion of the St. Lawrence undertaking.

"I am convinced of the urgent need for the large increment in low cost electric power which the St. Lawrence project will provide. Already the demand for power is running ahead of expectations. In fact one of the most serious handicaps to the rapid expansion of aeroplane production is the difficulty of finding the large supplies of high-load factor power required for aluminium production. We are of course expanding our electric facilities for this purpose as fast as practicable but by the time the St. Lawrence power is available other sources of cheap power will have been largely allocated.

"The St. Lawrence project offers by far the soundest and most economical provision for the power requirements of certain portions of our long-range defence programme, more particularly for certain high-load factor defence industries. Furthermore the manufacturing facilities and skilled labour available for the construction of steel turbines and electric equipment will be needed to meet the requirements of the vast areas of our continent where water power is not so economically available.

"I am also convinced that the opening of the St. Lawrence deep waterway to afford an outlet for naval and cargo ships constructed in great lakes shipyards, far from representing a diversion of funds and resources from the defence effort, would have the opposite effect. Our shipbuilding programme, to meet the requirements of defence, will call for a great expansion of shipyards with their associated machine shops and adequate supplies of skilled labour. The extent to which intensified submarine and air attacks on convoys may necessitate an expansion of the programme is still unknown. If the war is protracted however it seems certain that the number of shipyards required will have to be several times those at present available. In terms of our present industrial arrangements, many of these can be most readily and economically available in the great lakes area.

"If the full burden of our expanding ship construction must fall on seaboard shipyards the time required to complete the vessels themselves must, in many instances, be increased by the period necessary to construct new shipyards and facilities. With this in mind it is apparent that the deep waterway could be completed in time to provide an outlet to the sea for many of the new vessels included in the present programme.

"In the light of these facts it is my belief that the funds and man-power required for the earliest possible completion of the St. Lawrence project could not be better spent for our joint defence effort, including aid to Great Britain. It is my feeling that failure to take advantage of the possibilities of this project would be short-sighted, in no way contributing to an increase in our immediate defence effort, while limiting our defence programme in the difficult years which lie ahead."

Accept, Sir, the renewed assurances of my highest consideration.

Pierrepont Moffat.

I now table copies of this correspondence in English and in French, and also French copies of the report of the engineers.

I should like to repeat what I said a moment ago, that, while I do not think it is desirable to comment upon Mr. Roosevelt's statement at the present stage, I feel I should emphasize the great appreciation of the government and the people of Canada of the president's expression in a formal state paper of the determination of the government of the United States to supply such aid and material to Great Britain, and members of the commonwealth and their allies, as may be necessary to enable them to bring the war to a successful termination.

Hon. R. B. HANSON (Leader of the Opposition): The Prime Minister has made an announcement of more than ordinary importance although, I may say, not altogether

unexpected. It would be manifestly improper, if not impossible, for me to make at this time any comment which would serve a useful purpose. There are, however, a few questions which I should like to ask the Prime Minister. It is apparent, I think, from the statement which he read that the agreement is in the form of an agreement and not in the form of a treaty. I think we can take that as an accepted fact.

Mr. MACKENZIE KING: That is right.

Mr. HANSON (York-Sunbury): Then I should like to ask the Prime Minister whether this agreement will be submitted to parliament at this session. If so, will it be submitted before it has been considered and approved, or otherwise, by the United States congress. Finally, I should like to ask him if he will lay on the table of the house an opinion of the Department of Justice, if one has been received, as to the legality of proceeding by way of agreement rather than by way of treaty?

Mr. MACKENZIE KING: In reply to the leader of the opposition, I may say that the agreement will be submitted to this parliament for approval after it has received the approval of congress and not before. I hope and expect that that approval will be given shortly and that it will be possible to have the agreement presented to this parliament at the present session. With respect to my hon. friend's other question, I shall be glad to table on Friday, with the agreement, the opinion of the Department of Justice with respect to the binding nature of an agreement in the form of an agreement rather than in the form of a treaty. That opinion will be supplemented by an opinion of the Attorney General of the United States.

CANADIAN ARMY (RESERVE)

TABLING OF REGULATIONS WITH MODIFICATIONS RESPECTING TRAINING PLAN

Hon. J. L. RALSTON (Minister of National Defence): I wish to lay on the table of the house a copy of reserve army special regulations, 1941, which have been passed, containing certain modifications of the army regulations which were considered necessary and advisable in connection with the training plan, as announced.

Mr. STIRLING: Will copies be available for members?

Mr. RALSTON: I made inquiries to-day and I believe there are a number of copies. They tell me they have about seventy-five available.

Mr. STIRLING: I should like to have one.

[Mr. R. B. Hanson.]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

OIL PRODUCTION AND CONTROL

Mr. HOBLITZELL:

1. What are the conditions in the oil industry which make it necessary to give wide powers to the oil controller as set forth by order in council No. 1195 dated February 19, 1941?

2. Has the government taken any action with a view to promoting a more extensive production of oil in Canada?

3. Is it the intention of the government to take possession, control or management of the oil industry in whole or in part under powers contained in clause 2 (c) of order in council No. 1195 dated February 19, 1941, or any other authority thereunto enabling, and has the government taken any such action?

Mr. HOWE:

1. The oil industry in Canada is the largest user of United States exchange, and war needs make it imperative that the use of United States exchange be reduced to the fullest possible extent.

2. The government has taken steps in that direction.

3. This is a matter of government policy which will be made known in due course.

HAMILTON HARBOUR COMMISSION

Mr. BENCE:

1. Who were the members of the Hamilton harbour commission from July 31, 1940, to September 30, 1940?

2. Who represented the Hamilton harbour commission at a convention of harbour commissioners held in California during the month of September, 1940?

3. Who paid the expenses of these representatives?

4. What did these expenses amount to?

Mr. CARDIN: In answer to the above questions, the Hamilton harbour commissioners have supplied the following information:

1. Cecil V. Langs, K.C., and Andrew G. Gaul.

2. C. V. Langs, K.C., chairman, was appointed a delegate for the Hamilton harbour commissioners, and attended the annual convention of the American Association of Port Authorities held at Long Beach, California, from September 10 to September 15, 1940. E. H. Corman, who, as a member of the Hamilton harbour commissioners, was elected a director of the American Association of Port Authorities at their annual convention held in Milwaukee in 1939 and attended meetings of such directors during his term of office. Mr. Corman was appointed alternate delegate of the Hamilton harbour commis-

sioners, and attended the said convention held at Long Beach, California, in September, 1940.

3. Hamilton harbour commissioners.

4. Railway expenses		$414 26
Other expenses—		
U.S. funds	$250 25	
U.S. exchange	31 05	
Travellers' cheques	3 44	284 74
Total Canadian funds		$699 00

SPITFIRE AND HURRICANE FUNDS

Mr. LOCKHART:

1. Are Spitfire airplanes made in Canada?
2. If not, what becomes of the money donated to Spitfire funds?
3. What becomes of the moneys donated to Hurricane funds?

Mr. ILSLEY:

1. No.

2. It is understood that those collecting Spitfire funds forward them to the government of the United Kingdom, as Spitfire airplanes are manufactured in the United Kingdom.

3. These moneys are paid into the consolidated revenue fund of Canada out of which payments for the purchase of war equipment including Hurricane airplanes are made. Hurricane airplanes are made in Canada.

MUNITIONS AND SUPPLY—HOUSING

Mr. FRASER (Peterborough West):

1. What is the name of the recently established government-owned housing corporation?
2. What are the names of the officials and directors of such company?
3. In what localities or districts is it proposed that the company should carry on housing projects?
4. Is it intended that the company shall build and own new dwellings or merely assist individuals to finance the building of new dwellings?
5. What amount of money will be made available to the housing company for the purpose of carrying on its activities?
6. What arrangements will be made for the liquidating of obligations incurred by the housing company?

Mr. HOWE:

1. Wartime Housing Limited.

2. President: Joseph M. Pigott; directors: Wilfrid T. Gagnon, William Lyon Somerville, Ernest Ingles, William E. Tibbs, Robert J. Gourley, Hedley C. Wilson.

3. Wartime Housing Limited will take action wherever a shortage of housing accommodation is shown to be impeding war-time production or delaying completion of a military construction project.

4. P.C. 1286, page 1, section (d) provides that Wartime Housing Limited is authorized to "purchase or otherwise acquire and sell, exchange or otherwise dispose of, any real or personal property or interest therein which in the opinion of the minister is or is likely to be necessary or desirable for the carrying out of any of the powers conferred upon the minister by this act, or by the governor in council."

5. Wartime Housing Limited is authorized under P.C. 1286, section 7, to spend:

"From the moneys provided by parliament under the War Appropriation Act, 1940, or otherwise, one hundred thousand ($100,000) dollars shall be allotted to permit such living accommodation to be rented, purchased, constructed, or otherwise provided, and for the payment of necessary organization and administrative expenses; the said one hundred thousand ($100,000) dollars shall be placed at the disposal of such company when it is incorporated in such amounts, from time to time, as the minister may deem advisable; and the said company shall not enter into commitments exceeding ten million ($10,000,000) dollars without a further order in council."

6. This is a matter of government policy which is now under consideration and will be disclosed in due course.

Also refer to minister's statement page 1328 *Hansard*.

NIAGARA PENINSULA FRUIT AND VEGETABLE INSPECTORS

Mr. CORMAN:

1. What is the personnel of the staff of fruit and vegetable inspectors in the Niagara peninsula, including the counties of Wentworth, Lincoln, Welland, Halton and Haldimand?
2. What are their names?
3. What position do they occupy?
4. How much salary did each receive for the fiscal years 1939 and 1940?
5. Have their services been satisfactory to the Department of Agriculture?

Mr. GARDINER:

1 and 3.	2.	4. Year ending March 31, 1940	4. 11 months ending Feb. 28, 1941
	Permanent		
District fruit inspector (for western Ontario)..	Ponton, H. H.....	$3,000 00	$2,750 00
Senior fruit and vegetable inspector.....	Craig, C. M.....	2,520 00	2,310 00
Supervising fruit and vegetable inspector.....	Dawe, J. H.....	2,190 00	2,090 00
Supervising fruit and vegetable inspector.....	Furminger, W. J.....	2,280 00	2,090 00
Fruit and vegetable inspector, grade 1.....	Ladd, W. F.....	1,890 00	320 00
Fruit and vegetable inspector, grade 1.....	Beveridge, D. J.....	....	1,760 00
	Permanent seasonal		
Fruit and vegetable inspector, grade 2.....	Long, R. R.....	1,562 18	1,760 00
Fruit and vegetable inspector, grade 1.....	Ford, P. L.....	1,570 00	1,495 00
Fruit and vegetable inspector, grade 1.....	Muir, E. J.....	1,005 65	834 84
Fruit and vegetable inspector, grade 1.....	Pickett, C. H.....	1,366 59	322 59
Fruit and vegetable inspector, grade 1.....	Gregory, Chas.	1,030 42	28 53
	Temporary seasonal		
Fruit and vegetable inspector, grade 1.....	Baker, F. H. R.....	150 00	70 00
Fruit and vegetable inspector, grade 1.....	Baldwin, E. D.....	350 00	295 00
Fruit and vegetable inspector, grade 1.....	Blott, A. E.....	351 45	50 00
Fruit and vegetable inspector, grade 1.....	Brownridge, O. A.....	155 00	....
Fruit and vegetable inspector, grade 1.....	Buck, Thos.	596 00	....
Fruit and vegetable inspector, grade 1.....	Cameron, K. E.....	682 74	865 00
Fruit and vegetable inspector, grade 1.....	Chappell, F. C.....	1,585 00	1,485 00
Fruit and vegetable inspector, grade 1.....	Dix, E.	492 50	312 50
Fruit and vegetable inspector, grade 1.....	Dunham, J. L.....	541 29	455 97
Fruit and vegetable inspector, grade 1.....	Fisher, E. D.....	202 90	....
Fruit and vegetable inspector, grade 1.....	Fraser, F. R.....	....	35 00
Fruit and vegetable inspector, grade 1.....	Furminger, G. S.....	504 68	490 65
Fruit and vegetable inspector, grade 1.....	Gillespie, J. H.....	....	138 48
Fruit and vegetable inspector, grade 1.....	Greenwood, H.	801 29	....
Fruit and vegetable inspector, grade 1.....	Harding, C.	775 00	435 00
Fruit and vegetable inspector, grade 1.....	Hogle, E. M.....	330 97	490 65
Fruit and vegetable inspector, grade 1.....	Lemon, E. L.....	899 03	704 19
Fruit and vegetable inspector, grade 1.....	McPherson, K.	207 26	....
Fruit and vegetable inspector, grade 1.....	Millard, C.	599 00	35 00
Fruit and vegetable inspector, grade 1.....	Milmine, W. S.....	335 33	275 16
Fruit and vegetable inspector, grade 1.....	Monroe, C. J.....	270 00	....
Fruit and vegetable inspector, grade 1.....	Smith, J. D.....	220 32	199 89
Fruit and vegetable inspector, grade 1.....	Southward, E. W.....	687 50	611 29
Fruit and vegetable inspector, grade 1.....	Southward, L. K.....	263 87	225 00
Fruit and vegetable inspector, grade 1.....	Stewart, Frank	440 32	158 23
Fruit and vegetable inspector, grade 1.....	Tufford, H. H.....	598 79	588 87
Fruit and vegetable inspector, grade 1.....	Udell, G.	....	143 00
Fruit and vegetable inspector, grade 1.....	Utter, Geo.	255 97	159 68
Fruit and vegetable inspector, grade 1.....	Wilson, F. L.	398 71	....

5. Yes, with very few exceptions.

PORT HOPE, ONT., FEDERAL BUILDING

Mr. ADAMSON:

1. How much money was spent during the year 1940 and up to date in 1941 on the Federal building in Port Hope, Ontario, for decorating, renovation or other such work?
2. Were tenders called for this work?
3. If so, what are the names of those tendering and the amount of their respective tenders?
4. Was this work done by day labour?
5. If so, who was the superintendent of the work?

[Mr. Corman.]

Mr. CARDIN:

1. Expenditure for interior and exterior painting, decorating and repair of public building: 1940, $675; 1941, $1,605—$2,280.
2. Yes.

3. Only one tender received from Robert Sainsbury of Port Hope for $2,280.

4. No.

5. Answered by No. 4.

SOLDIERS' TRANSPORTATION

Mr. CHURCH:

1. How many soldiers at Petawawa are on trial at Pembroke, charged with using false railway tickets for furlough?

2. Before whom will they appear and what is the date of the trial?

3. Who laid the complaints and what railway is prosecuting?

4. Will the government provide counsel for the accused so as to assure them a fair trial?

5. Will the government or Minister of National Defence order a government inquiry so as to establish reforms in soldiers' transportation, as a protection to Canada's soldiers?

Mr. RALSTON:

1. Fourteen.

2. Magistrate F. J. Galligan. Hearing March 22, 1941.

3. Provincial Constable E. V. McNeill. Railway concerned is Canadian Pacific Railway.

4. It is not the practice for counsel to be provided at public expense in such cases.

5. This involves a matter of policy regarding which announcements are not made in advance.

MUNITIONS AND SUPPLY—PURCHASE INVESTIGATORS

Mr. ISNOR:

1. How many purchase investigators are employed by the Department of Munitions and Supply?

2. What are their names, addresses and salaries?

3. What are their duties?

4. Do investigators make recommendations? If so, to whom and of what nature?

Mr. HOWE:

1. Two.

2. John A. Marsh, 35 McLeod street, Ottawa, Ontario. Salary—$4,200 per annum.

George A. Briggs, 225 Fifth avenue, Ottawa, Ontario. Salary—$3,960 per annum.

3. (a) To review Department of Munitions and Supply submissions for privy council authority covering contracts for amounts over $5,000: to check such submissions and see that the statements contained therein are in accordance with the facts and that the necessary supporting papers and documents are on file. If such submissions are not in order, it is the duty of the purchase investigators to return such to the directors concerned, for correction. In the event of the low tenderer not being recommended, it is the duty of the purchase investigators to see that there is a good and valid reason for placing the contract with other than the low tenderer.

(b) To report to the deputy minister any irregularities inconsistent with the departmental policy of purchasing.

(c) In the placing of contracts where there is insufficient competition or when it is recommended that the lowest tenderer be not awarded the contract, it is the duty of the purchase investigators to present such recommendations before a committee composed of the executive assistants to the minister, and to secure or give whatever information is necessary by the committee before such submissions are approved and signed by the executive assistant to the minister.

(d) To check all financial encumbrances received from the three services of the Department of National Defence and those originating within the department, to ensure that they are dated and signed by the appropriate signing officers before issuance to the purchasing divisions.

4. Answered by 3.

WAR SERVICES—MOTION PICTURES

Mr. BENCE:

1. What motion pictures are represented in the commitment of $112,220 mentioned by the Minister of National War Services at page 1337 of *Hansard?*

2. What motion pictures have been produced and/or paid for by the director of public information?

3. What was the total cost of each such motion picture?

4. Were these motion pictures produced in cooperation with the national film board or the Canadian government motion picture bureau?

5. If so, what amount, if any, was expended by the national film board and/or the Canadian government motion picture bureau in respect of such motion pictures and what outstanding commitments are there?

6. Are expenditures and commitments for such purposes by the national film board or the Canadian government motion picture bureau charged to the ordinary estimates or to the War Appropriation Act?

Mr. GARDINER:

1. Theatrical—Produced:
Atlantic Patrol.
Letter from Aldershot.
The Home Front.
Front of Steel.
Squadron 992.
Wings of Youth.
Britain at Bay.
Peoples of Canada.
Letter from Camp Borden.
Un du 22ieme.
Children from Overseas.
Guards of the North.
Everywhere in the World.
French news reels.
London Can Take It (French).
La Croix et L'Epee.

Theatrical—In production:
Science in War (provisional title).
Canadians in Britain (provisional title).
Navy Film (provisional title).
Strategy of Metals.

Non-Theatrical—Produced:
On Guard for Thee.
Not Peace—But a Sword.
Timber Front.
Iceland on the Prairies.
The Lion Has Wings.

Non-Theatrical—In production:
Workshops of War.
Youth in War (provisional title).
This is My Country (provisional title).

2. All those listed as "Produced" in answer to question 1.

3 and 5.

Theatrical	Costs to date	Outstanding commitments
Atlantic Patrol	$ 588 27	nil
Letter from Aldershot.	1,886 60	nil
Home Front	7,216 76	nil
Front of Steel	7,013 75	nil
Squadron 992	3,268 76	nil
Wings of Youth	12,081 93	nil
Britain at Bay	1,058 93	nil
Letter from Camp Borden	12,572 21	nil
Un du 22ieme	7,540 40	nil
Children from Overseas	6,449 39	nil
Guards of the North.	4,195 75	nil
Everywhere in the World	592 68	$ 3,000 00
Science in War	567 50	1,800 00
Canadians in Britain	56 32	50 00
Navy Film	6,789 28	1,500 00
Strategy of Metals...	386 38	nil
French news reels...	2,964 15	nil
New Women's Film.	nil	300 00
Peoples of Canada...	106 30	9,500 00
London Can Take It (French)	680 41	nil
La Croix et L'Epee..	383 96	5,900 00
News reel co-operation with Canadian and U.S. Companies	3,109 21	nil

Non-Theatrical	Costs to date	Outstanding commitments
On Guard for Thee..	3,765 18	nil
Not Peace—But a Sword	3,133 36	nil
Workshops of War...	422 37	2,925 00
Timber Front	4,663 63	nil
Youth in War	210 00	nil
Iceland on the Prairies	3,474 85	400 00
The Lion Has Wings.	532 47	nil
This is My Country.	310 73	nil

[Mr. Gardiner.]

Non-Theatrical	Costs to date	Outstanding commitments
Poland Will Never Die	nil	600 00
Circulation costs	1,909 41	nil
Extra prints non-theatrical films	1,887 50	2,120 00
Travelling expenditures	nil	2,632 00
Incidental costs	1,383 59	150 00
	$101,202 03	$ 30,877 00
Total	$132,079 03	

Of the above total:

Expenditure to motion picture bureau by Department of National War Services		$ 1,887 50
Encumbrance by National War Services given to national film board	$109,820	
Encumbrance by National War Services given to motion picture bureau	1,400	
		111,220 00
		$113,107 50
Outstanding commitments of:		
National film board recoverable from National War Services		18,971 53
		$132,079 03

4. National Film Board.
6. War Appropriation Act.

EXEMPTION OF AGRICULTURAL SOCIETIES FROM CERTAIN TAXATION

Mr. ROY:

1. Are reserves and working capital of agricultural societies, as well as the cash surpluses of cooperative agricultural societies affected by the war revenue tax?

2. Will the government consider the advisability of exempting such societies from this taxation?

Mr. GIBSON: This question, in almost identical form, appeared on the order paper last week, and at that time I stated that it was impossible to answer it in its present form. The question does not yet specify the tax referred to, and I might say further that it is quite impossible to state how a tax will affect any society without knowing whether the society comes under the provisions of, or any exceptions to, the taxing act referred to.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TRANSPORT COMMISSION—RAILWAY LINES ABANDONED

Mr. FERLAND:

What railway lines have been abandoned by order of the board of transport commissioners in each province of Canada?

SOLDIERS ELIGIBLE FOR TRADE PAY

Mr. SHAW:

1. What are the classifications of those in the armed forces eligible for trade pay?
2. What is the rate of pay for each such class?
3. Are all those holding trade papers eligible for trade pay?
4. Are all those eligible for trade pay in receipt of such pay?

MOTIONS FOR PAPERS

OIL PRODUCTION AND CONTROL

Mr. HOBLITZELL:

For a copy of all orders in council, reports, memoranda and correspondence between the government and Department of Munitions and Supply and the oil controller, his officers, assistants and employees and associates and consultants in his own or any department of government having reference to the constitution of the oil controller and of his office, or the control of oil or the oil production and supply business or having reference to the maintenance and carrying on of the office of oil controller and the various policies to be pursued by him, or acts, matters and things proposed, done or to be done by him during the years 1940 and 1941 to the present time.

Mr. HOWE: May I point out that a considerable portion of the return asked for is privileged, particularly the correspondence between the government and the Department of Munitions and Supply and the oil controller, his officers, assistants, employees, associates and consultants, all those men being employees of the department. Of course, correspondence between the minister of the department with these employees is privileged.

I believe the other documents asked for have already been tabled under previous orders for returns, so that this motion could very well be dropped.

Mr. HANSON (York-Sunbury): May I ask if the recent order in council respecting the powers of the oil controller, and in particular the one which gives him immunity for any act done by him or purporting to have been done by him under any order in council, has been tabled? I desire to call attention to the last section of that order in council, which so far as I know is the most unusual grant of immunity from legal process ever given to any public official in Canada, far beyond any statute ever passed by this parliament for the protection of a public official.

Mr. HOWE: I will look into the matter, and if all orders in council have not been tabled I will see that they are tabled immediately.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO DATE OF TABLING OF ANNUAL REPORT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to ask the Minister of Transport (Mr. Cardin) whom we are all so glad to see back in his seat—

Some hon. MEMBERS: Hear, hear.

Mr. HANSON (York-Sunbury): —if he will say when we may expect the report of the Canadian National Railways to be tabled in this house. The fiscal year of the company ended, I understand, on December 31, now nearly three months ago. We should be glad to have the report tabled.

Hon. P. J. A. CARDIN (Minister of Transport): I sincerely thank my hon. friend for his kind reference to my return, and also the members of the house for their generous approval of the comment.

In answer to his question I may say that I expect to be in a position to table to-morrow the report to which he refers.

CANADA'S WAR EFFORT

SUPPLIES TO GREAT BRITAIN—QUESTION OF STATEMENT AS TO CANADA'S POSITION

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I wish to address a question to the Prime Minister. Now that the lease-lend bill has been passed and there is no longer danger of being charged with interference in a United States domestic issue, as indicated by the Prime Minister in reply to my question of February 28, would the Prime Minister now consider making a statement informing the United States of Canada's actual position in relation to supplies to Great Britain?

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say to my hon. friend in reply that I think such a statement might most appropriately be made by Canada's minister at Washington, and I will with pleasure instruct the minister to make such a statement and to do so within the course of the next few days.

I might add that I have noticed in a section of the press some comment upon the fact that Mr. McCarthy on the day of his arrival at the legation did not give out full information in reply to a series of questions asked him by

a large number of representatives of the press who were present at the legation at a gathering called to afford the press opportunity of making the new minister's acquaintance. I would say that I think Mr. McCarthy was wise in not attempting to answer offhand in his first meeting with the press the number of questions presented to him at that time. But I know it was his intention when he left Canada to take an early opportunity to give to the people of the United States, in an appropriate way, the very information to which my hon. friend refers.

PRICE OF BUTTER

REPORTED INTENTION OF GOVERNMENT TO WITHDRAW PEGGED PRICE

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): In view of the fact that there are rumours and newspaper reports to the effect that the government is considering the withdrawal of the pegged price on butter, would the minister care to make a statement to the house in that regard?

Hon. N. A. McLARTY (Minister of Labour): I believe I should answer the question, as the Minister of Labour is responsible for the contact of the government with the war-time prices and trade board.

I had not heard the rumour referred to by the hon. member and did not hear any discussion of it, consequently I am unable to add to the information which the hon. member already has. By that I do not mean to suggest in any way that such information is correct.

Mr. ROWE: Page the Minister of Agriculture.

COMMONWEALTH AIR TRAINING

CONTRIBUTION OF OTHER PARTNERS IN THE EMPIRE'S EFFORT

On the orders of the day:

Hon. C. G. POWER (Minister of National Defence for Air): In the course of the observations I had to make the day before yesterday in respect of the commonwealth air training plan it has been suggested to me that perhaps I did not place sufficient emphasis on the part played by our partners in the plan.

I find that my remarks inadvertently gave the impression that Canada was virtually the sole dominion that was contributing materially to the British commonwealth air training plan, and in addition that the plan, which is operating in Canada, is the sole expression of the empire's air training effort. This of course is not so. There are training organizations going on in Australia and New Zealand as well as in the United Kingdom.

I also gave a wrong impression, and was inaccurate in the figures which I gave with respect to the contribution in numbers of pupils made by the other dominions. Thus Australia and New Zealand supply a portion of the trainees to the British empire air training plan in Canada, in addition to their large efforts within their own boundaries.

Roughly speaking the dominion distribution of trainees for the British commonwealth air training plan in Canada is:

Pilots—
Canada—13/16
Australia—2/16
New Zealand—1/16
Air observers and air gunners—
Canada—8/10
Australia—1/10
New Zealand—1/10

Of the contribution in man power, the government of the United Kingdom reserved its right to supply up to ten per cent of the pupils to Canadian elementary flying training and air observer schools.

The Commonwealth of Australia and the Dominion of New Zealand have not only supplied in full their trainee requirements for the joint air training plan but they have also been able, by means of a speed-up plan very much along the lines of that in Canada, to take care of the additional home defence requirements made necessary by the altered situation in the far east.

I make this explanation in order that our partners in the plan may not think for one moment that I have not the highest appreciation of the efforts they are making not only at home but to carry on this cooperative empire effort.

ST. LAWRENCE DEVELOPMENT

On the orders of the day:

Mr. J. SASSEVILLE ROY (Gaspé) (Translation): Mr. Speaker, the St. Lawrence development plan having been officially adopted, I wish to ask the Prime Minister (Mr. Mackenzie King) the following question: The tergiversations leading up to the adoption of the plan having been under way since 1936 or 1938, why did the government not submit this important question to the approval of the people at the election of 1940?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I hope my hon. friend will pardon me if I do not attempt to answer him in the language in which he has spoken. That I believe would be a courtesy to the language. As I understand his question, it is wholly academic. However, I shall read it over carefully and if I think it requires further answer I shall make it on another occasion.

NATIONAL DEFENCE

NUMBER OF RECRUITS WHO HAVE EXPRESSED WILLINGNESS TO ENLIST FOR ACTIVE SERVICE

On the orders of the day:

Hon. J. L. RALSTON (Minister of National Defence): On March 17 the hon. member for Souris (Mr. Ross) asked for a statement of those receiving the thirty-day training, giving the number by military districts of those who had expressed a willingness to volunteer for active service, either in the navy, the army or the air force. I am laying on the table of the house a statement in accordance with my hon. friend's request.

There is one slight discrepancy to which the officers of the department want me to call attention. It has been pointed out that in replying to the hon. member for Parkdale (Mr. Bruce) on March 3, as reported at page 1144 of *Hansard*, the number of recruits of the first and second training periods who expressed a willingness to volunteer for overseas service was given as 13,736. A comparison between that figure and the figure shown on this statement reveals a difference of seven, which discrepancy is explained by the fact that returns had not then been received from the training centres at Cornwall and Peterborough. Estimates were made instead of getting the actual figures.

Mr. HOMUTH: Will that statement appear on *Hansard?*

Mr. RALSTON: I can put it on *Hansard,* but I would have to read it.

Some hon. MEMBERS: Take it as read.

Mr. RALSTON: The statement is as follows:

NUMBER OF RECRUITS WHO HAVE EXPRESSED A WILLINGNESS TO ENLIST IN THE ROYAL CANADIAN NAVY, CANADIAN ARMY (ACTIVE FORCE), ROYAL CANADIAN AIR FORCE

Military District	District Headquarters	1st Period 9th Oct. to 7th Nov. 1940			2nd Period 22nd Nov. to 21st Dec., 1940			3rd Period 10th Jan. to 8th Feb., 1941			Total		
		RCN	CA (AF)	RCAF	RCN	CA (AF)	RCAF	RCN	CA (AF)	RCAF	RCN	CA (AF)	RCAF
1	London, Ont.	118	253	516	131	316	583	116	208	513	365	777	1,612
2	Toronto, Ont.	154	212	545	144	219	684	72	71	230	370	502	1,459
3	Kingston, Ont.	44	191	233	53	152	406	68	518	458	165	861	1,097
4	Montreal, P.Q.	75	204	193	63	148	232	74	219	269	212	571	694
5	Quebec, P.Q.	14	39	23	33	133	66	7	42	58	54	214	147
6	Halifax, N.S.	176	196	185	118	230	157	154	269	214	448	695	556
7	St. John, N.B.	67	460	193	65	349	195	53	262	382	185	1,071	770
10	Winnipeg, Man.	126	228	601	171	364	854	44	110	251	341	702	1,706
11	Victoria, B.C.	62	57	134	99	41	230	100	57	235	261	155	599
12	Regina, Sask.	31	104	192	95	840	381	41	519	181	167	1,463	754
13	Calgary, Alta.	25	77	154	51	90	168	23	91	153	99	258	475
	Total	892	2,021	2,969	1,023	2,882	3,956	752	2,366	2,944	2,667	7,269	9,869
	Grand total												19,805

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, March 18, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Fournier (Hull) in the chair.

Mr. COLDWELL: Mr. Chairman, there are several questions I should like to ask the Minister of Munitions and Supply (Mr. Howe) in connection with radio broadcasting. On March 29 the Havana agreement comes into effect, and there are some questions which I think should be asked and answered before that date. As far as possible I have endeavoured not to interrupt the line of questioning by other hon. members, but since we seem to be getting toward the end of this debate I am taking this opportunity to ask the questions. The minister may not, at this time, be able to give me all the information I want, but I shall ask the questions and he can give me a reply at his leisure.

In the allocation, as announced some time in February, of broadcasting frequencies or channels to take effect on March 29, in accordance with the so-called Havana agreement of 1937 and subsequent arrangements, I notice that three of the six or seven class 1A clear channels, listed as available for Canada in the north American regional broadcasting agreement, have been allotted to private commercial stations which operate on a power of from 10,000 to 15,000 watts. Inasmuch as the class 1A clear channels envisage the ultimate use of 50,000 watts or more, will this allocation mean the abandonment of the policy which was stated by the minister at Moncton on October 12, 1937? The minister is reported as having summarized the basic policy as follows:

> The broadcasting corporation has adopted, as a policy, government ownership and operation of the larger stations. In future private stations will not be allowed to expand beyond 1,000 watts, while existing larger stations will not be permitted to increase their present power. The corporation will, however, proceed as rapidly as funds will permit to build a series of high-power stations, which will in themselves give full coverage.

Mr. HOWE: Would it not be good policy to answer one question at a time?

Mr. COLDWELL: I have a number of questions to ask. If I give them all to the minister, he may feel inclined to answer them at the same time. This policy was outlined to and approved by the parliamentary committee on radio broadcasting which sat in 1938 and 1939. These high-power channels, if I may call them that, were looked upon as being ultimately intended for the purposes of the corporation's long-term national publicly-owned coverage. In accordance with this policy, I believe that all subsequent applications for power in excess of 1,000 watts have been rejected. My question in this regard is: If this policy has not been abandoned, have the stations at present obtaining high-power clear channels been so informed? There should be no misunderstanding and no possibility of the owners of the stations feeling that they have vested interests beyond what is covered by the original understanding.

In the Havana agreement, 730 kilocycles is described as a clear channel, but it was not included among the channels to be made available for Canada. In the minister's statements of February 3 and 5, this channel is allocated to station CKAC owned by the Montreal *La Presse*, which, I believe, is operating on 15,000 watts. My question is: Has Canada obtained this channel in addition to the clear channels obtained in accordance with the agreement made at Havana? If not, has it been obtained in substitution for one or more channels? What is the exact classification of this channel to-day? According to the announcement made by the minister on February 5, when the new allocations go into effect on March 29 the CBC's 50,000 watt Ontario regional transmitter CBL is to operate on a frequency of 740, which is a class 1A channel. Do the technical advisers in the minister's department, or the responsible technical officers of the Canadian Broadcasting Corporation consider ten kilocycles to be sufficient separation on the average dial to obviate serious interference between this station near Toronto and station CKAC near Montreal, using 730 kilocycles? I ask this question because my experience, even with a high-powered modern set, has been that it is very difficult to separate stations close together, and I am wondering whether the separation in this instance is sufficient; for, after all, the broadcasting corporation's own stations so far as possible should be relieved of interference from a comparatively high-powered station not far away, and operating only ten units apart. I would ask the minister to look into that matter.

There is this further point: Out of the seventy privately-owned stations in Canada

which serve a local function, with power of 1,000 watts or less, stations CKBI, Prince Albert, Saskatchewan, belonging to the Prince Albert radio club, station CFPL, London, Ontario, belonging to the London *Free Press,* station CHML, Hamilton, Ontario, belonging to the Maple Leaf Radio Company, and station CJBR, Rimouski, Quebec, owned by J. A. Brilliant, have been allocated channels listed in the Havana agreement as clear, high-power channels. The first station I mentioned, and the last two, have been allocated 900 kilocycles, and the London station 1570 kilocycles. Again, how was this selection made, and what are the classifications of these channels?

Mr. HOWE: Surely they are not clear channels allocated to Canada, are they? Are they not allocated to Mexico?

Mr. COLDWELL: Then I have this further question: Do the allocations to CKBI, CFPL, CHML and CJBR imply a permission later to increase the power of all or any of these stations to the limit provided for such channels in the international agreements? Again I ask these questions designedly, because I believe it was the intention of parliament, the parliamentary committee, the minister and all concerned to see to it that our own publicly-owned broadcasting system is preserved. I raise these questions so that we may clarify the position, and make certain that there is no possibility of a privately-owned competing broadcasting system being permitted to set itself up in Canada, and thereby in any way interfere with or disturb our nationally-owned system.

Therefore I wish to ask this question: Did the immediate and future requirements of the Canadian Broadcasting Corporation's long-term plan of national coverage govern the allocation of frequencies announced by the Minister of Munitions and Supply on February 3 and 5? Were all the announced allocations duly recommended by the board of governors of the Canadian Broadcasting Corporation in accordance with the requirements of the Canadian Broadcasting Act, 1936?

If there has been any departure on the part of the department from the broadcasting board's recommendations, will the minister state in respect of what stations and frequencies, giving particulars and reasons why such departure or departures were taken at that time?

The next question which arises is this: In view of the allocation to privately-owned stations of some twenty-five class III channels, involving the possibility of using up to 5,000 watts, has the basic principle of the corporation's plan of national coverage been modified to permit of such increases?

I believe the remaining questions relate more or less to the possibility of the setting up of a United States chain in Canada. I ask these questions because it has been suggested to me that unless we safeguard the present position, such a condition might develop. Are stations CFRB Toronto and CKAC Montreal, agencies or outlets of a United States commercial network? What is the exact relationship between these stations and the Columbia broadcasting system?

Has the Canadian Broadcasting Corporation, as the national network authority, control of this entire network affiliation, and any stations which may be affiliated with the two stations to which I have referred?

Is it the policy of the board of governors of the Canadian Broadcasting Corporation to retain and to maintain a *de facto* control over all networks or hook-ups, as outlined to and approved by the parliamentary committee on broadcasting of 1939? That refers, of course, to the discussion which took place in the committee and to its subsequent report.

The last question I would ask the minister is this: In view of the importance of radio broadcasting in connection with the present war, and in view of the extent to which it has been used for propaganda and other purposes, has the government considered the advisability, under the circumstances, as a war measure, in the near future to purchase, lease, expropriate or otherwise acquire the outlets from United States networks to which I have just referred, namely, stations CKAC and CFRB?

I have asked these questions because several persons have drawn to my attention some changes which seem to have been made. In view of the minister's statement made in 1937, and the approval given to that policy by the parliamentary committee, before the Havana agreement becomes effective on March 29 I believe it would be well for the house to understand the situation as it now exists, and it should receive assurances that the privileges which have been granted to certain privately-owned stations shall not cause any misunderstanding in the future as to the determination of the House of Commons and the Dominion of Canada to retain this great public service

as a national public service nationally controlled, serving the Dominion of Canada, and one which shall not be allowed to become a profitable organization for any private group or interests in the country.

Mr. HOWE: I shall be pleased to submit the hon. member's questions to the technical officers in my department, and to give the answers at a later date. In the meantime, however, I would say that so far as the board's attitude toward the power of stations is concerned, there has been no change in policy whatever. In other words, new stations are limited to 1,000 watts. They are granted 1,000 watts, if a wave length can be made available. Stations of high power are being maintained at the power they had when the board took control.

Mr. HANSON (York-Sunbury): Is it not quite clear that under the authority of the War Measures Act the government has power to-day to take over the two stations to which reference has been made, if, as and when it deems it desirable so to do?

Mr. HOWE: Oh, quite. So far as those two stations are concerned, we have the power, without spending any money at all, to stop them from being outlets for the two chains. The government believes, however, that its coverage to-day is satisfactory and it sees no difficulty about that situation.

Mr. McNIVEN: Mr. Chairman, last Saturday and Sunday a number of members of the House of Commons enjoyed the hospitality of the city of Hamilton as guests of the hon. member for Hamilton East (Mr. Ross). The hon. gentleman has for some time established a reputation for geniality and joviality, but a geniality and joviality with a fixed purpose, because the group which journeyed with him to Hamilton included representatives of the nine provinces and members of the Liberal, Conservative, and Cooperative Commonwealth Federation parties in this house.

In Hamilton we saw its peace-time industrial life; we saw and heard how Hamilton had converted and adapted its peace-time industrial life to the war effort. We saw Hamilton's war industry in action. We learned of its intricacies; we saw its magnitude; we observed its efficiency along a wide and varied front. The hon. gentleman whose guests we were has rendered a public service not only to the city of Hamilton but to the whole dominion in promoting a better relationship between central Canada and those of use who come from distant parts of Canada, and also in according an opportunity to understand industry and its contribution to the war effort in these perilous times.

Those of us who were privileged to visit Hamilton have extended to the hon. gentleman our personal appreciation, and I am quite sure that those who were with that party would join with me in a public recognition of the opportunity thus accorded. The opportunity gave rise to less serious moments, for Hamiltonians are good entertainers, and on this occasion we had an opportunity of hearing from Mr. Black, president of the Otis-Fensom Elevator company; Mr. Myler, president of Canadian Westinghouse Limited; Mr. Morton, vice-president and general manager of the International Harvester company; Mr. Sherman, president of Dominion Steel and Foundry; Mr. Maybury, representing the Firestone Tire company; Mr. Hart of the National Steel Car company; and Mr. Hilton, representing the Steel company of Canada.

Each of these gentlemen gave a brief outline of his particular industry and of what it was doing in connection with war work, and extended to the members of the House of Commons a warm and cordial invitation to come to the city of Hamilton and see for themselves what each of these respective industries was doing. That invitation was given in warmth and sincerity, and I would advise all those who are in the neighbourhood of Hamilton to take advantage of it.

One member of the party, not any of those to whom I have referred, suggested to me the adjournment of the House of Commons in order that our entire membership might see and observe for itself, a procedure, which, I believe, would serve to dispense with that paltry, petty, picayune criticism which, during the last three or four weeks, has characterized much of the debate on this resolution.

Shortly after our arrival in the city of Hamilton, our host arranged for us to visit the plant of the Canadian Westinghouse Company. That company first came to Canada in 1896, and started on an expansion programme in 1903, with the result that to-day its plants cover an area of fifty-three acres and has some 4,600 employees. They are now building a new plant, started some four months ago, which we were not privileged to see or go through, inasmuch as its purpose, devoted to the war effort, is shrouded in secrecy. We had an opportunity, however, of observing

plants in operation, and their domestic establishments where everything of an electrical nature is manufactured—irons, toasters, washing machines, refrigerators and many other household and office conveniences. Radios are being made there; and as an instance of how this company has adapted itself to Canadian war requirements, we saw radio cabinets, hitherto made of imported wood, manufactured from Canadian elm, cabinets of which any home might well be proud.

On the commercial side we saw ignition switches being manufactured for motor cars; electric motors up to 7,000 horse-power. In 1903, when this company first embarked on this line, the height of their ambition was to manufacture an electric motor of 100 horse-power. In that plant, too, they are manufacturing air-brake equipment for locomotives, freight and passenger cars; also brake equipment for the electric cars used on our street railways, and brake equipment for motor cars.

In the power equipment plant we were privileged to see giant transformers up to a capacity of 50,000 k.v.a.; immense water wheel generators up to a capacity of 70,000 horse-power, being manufactured and turned out for the development of electrical energy in Canada. Dynamos, too, are constructed there. The activity of this plant takes on a new significance in the light of the Prime Minister's statement to this house this afternoon when a shortage of power was visualized even in the United States of America.

We saw, too, the manufacture of a plant which, as nearly as I can remember, was called an electric pot line. This electric pot line is essential to the mining of aluminium. These pot lines are being manufactured in large numbers and shipped to the aluminium mines on the Saguenay river in the province of Quebec. I learned that these electric pot lines were essential to the manufacture of aluminium and that, by their use, those engaged in that branch of mining were able to extract approximately fifty-eight pounds of aluminium from every ton of ore. The importance of this industry to the life of Canada can be visualized when it is remembered that several thousand pounds of aluminium are required in the manufacture of every plane.

One interesting item which is being manufactured there and which we saw, was the bomb racks attached to aeroplanes for the holding of bombs and their subsequent release. They looked to me comparatively simple, about 5½ feet long and 1½ inches in width. They are required to carry a bomb weighing 1,000 pounds, and before those bomb racks are released from the plant they are subjected to a test of 4,000 pounds so as to make definitely certain that they perform their intended function.

We also saw in progress the manufacture of miscellaneous war equipment and component parts for Canada's war effort. There is another phase of the Westinghouse production which I shall mention in a moment or two when I come to the plant of the Otis-Fensom Elevator company.

We next proceeded to the plant of Dominion Foundries. It was an eye-opener to many of us who are not accustomed to great industrial enterprise. There are great blast furnaces, together with batteries of crucibles and retorts for treating molten metal. We saw gun barrels sixteen to twenty feet long, ten to twelve inches in diameter, sizes never before made in Canada. We saw a block of metal placed in huge retorts, heated, shaped and then put on a series of lathes from which it was turned into the shape which we ultimately saw. We then saw that barrel wrapped, ready for transfer to another plant, where it will be bored. May I emphasize, on the authority of those who conducted us through the plant, that never before in the history of Canada have gun barrels of this calibre, of this size, or practically of any size been made in the dominion.

In that same plant we saw armour plate up to 5½ inches in thickness being made, and armour plate of 3 and 3½ inches in thickness for the manufacture of tanks, for use in corvettes and other equipment, in process of being made. We were told, too, that never before in the history of Canada had armour plate of this type and of this thickness been made. That plate is shipped to the Angus shops in Montreal to be manufactured into tanks. We were told that certain sections of that metal were shipped to Valcartier, where they were subjected to the most rigid tests in order that they should function as intended.

We saw, too, the smaller sizes being made, every sheet of which is tested in the plant of Dominion Foundries. They have built a gallery to which each section is taken and a machine gun is turned upon it. The gentleman in charge said that it was a most dangerous place to be, for the bullets ricocheted in all directions. However, not a sheet of this metal is accepted unless it has the imprint of a bullet upon it.

Next, we were taken to that portion of the plant utilized for the manufacture of tin-plate. The tin-plate is cut to all sizes and used subsequently in the manufacture of metal containers. I do not know the extent to which heretofore tin-plate has been manufactured in Canada, but I do know that the facilities at the city of Hamilton have been

substantially increased in the plants of Dominion Foundries, and that the Steel company of Canada is opening, in the immediate future, a new plant for its manufacture. It was interesting at the end of the process to see a section of that tin-plate taken and tested for its tensile strength and also tested chemically in order to make sure that no injurious substances were contained in the metal itself.

Later in the afternoon we went to the plant of the Otis-Fensom Elevator company, which until recently was not engaged in war activities. They have just completed a new plant, the construction of which was started on November 15 last. It is partly occupied now and will be completely occupied in the immediate future. It covers 7½ acres of ground and cost, I understand, somewhere around $5,000,000.

Mr. REID: May I ask if the tin-plate is completely finished?

Mr. McNIVEN: As I understand it, the tin-plate is really steel rolled to a certain thickness, carried through a solution of tin, and then put on immense rolls, from where it is carried to various shearing machines, by which it is cut into sizes required by the manufacturer. We saw every step of that process.

In this new building we saw long rows of lathes of every kind and description, made, it seemed to me, in almost every city in both Canada and the United States. In that factory we saw the Bofors gun, which is, I understand, the most efficient and effective anti-aircraft gun yet made. We saw these gun barrels in their initial stages and processed from lathe to lathe until finally they came out a complete unit, boxed and ready for shipment to Great Britain. This was the most interesting part of our experience, inasmuch as we saw the boring of the Bofors gun, and observed how the gun was finally rifled in order to give it greater projectile strength. The Bofors gun shoots 120 2-pound shells a minute, and the life of the gun is exactly seven minutes; after that, its value is pretty much that of scrap.

I regret that the limitations which were placed upon us prevent me from giving figures of the production of the Bofors gun, but I can assure you, Mr. Chairman, from information we received, that the production, already quite substantial, will be doubled within the next few weeks and will progress steadily from that point until a maximum production is reached.

A few days ago, in glancing over the Ottawa *Citizen,* I noticed an item, "How Germany Trains Her Workers." I quote one paragraph from that article, which is an excerpt from the Manchester *Guardian:*

> The foundations of the German training system are four-week courses of intensive training. The trainees are first given a job (before training), and are paid during their training time at unskilled rates. After the four-week course they are taken over by the firms and further trained in the works. As much as possible of the training is done in the factories and as little as possible outside, in the technical institutes, Labour Front camps, and training courses.

I had no information that anything of that kind was being attempted at any of our Canadian factories, and it was a real thrill to have the Otis-Fensom people show us through their trade school. In fact, it was a part of their plant in which they took greater pride than in anything else. They established this trade school, and in reply to questions they said that they drew their recruits from likely applicants. They gave some preference to graduates of technical schools or the youth training movement, and found that these youngsters were more receptive to future training than those who came in completely uninitiated. It is a large school, and in order to have a training staff they sent three of their men to England to get the necessary technical instruction. These men are now instructing advanced pupils and the advanced pupils in turn will instruct others, so that from this school they expect to build up their personnel in order to carry on the work of that factory.

The same thing is being done in the Westinghouse plant. Certain girls are there now, being given definite technical instruction in the inspection and testing of the products of that plant.

We then went to the plant of the National Steel Car company. I was in that plant on the 23rd day of June last. The manager, Mr. Hart, informed me that four months before that date the site upon which that plant stood was a swamp. I could scarcely believe it; for I was in a building that was approximately 1,200 feet long and 400 feet wide, and it was equipped for the manufacture of 3·5 and 3·7 anti-aircraft shells. They were actually being turned out on the 23rd day of June. Mr. Hart told me on that occasion that they employed some 1,800 people in that plant and that they had little or no difficulty in getting the required number of employees. When I asked him from what source, he said that many of the people who were employed in the plant had not had any work for a couple of years. Many had been taken off the relief rolls of the city of Hamilton.

Going through that plant, we saw steel ingots put into the blast furnaces; we saw them brought to red heat; we saw them put

through the presses, progressing from one press to another, from one lathe to another, until finally the 3·5 or 3·7 anti-aircraft shell appeared on the inspection table ready for inspection and shipment.

The inspection completed, the shells are boxed in cardboard cartons, eight to the carton. Formerly these shells were shipped in wooden boxes at a cost of $2.50 each and took up twelve square feet of shipping space for their transhipment to the old land. Now the cardboard carton is used at a cost of 50 cents, with a corresponding saving in labour and shipping space. I am not able to give the quantity of shells being turned out in that plant. I mentioned having been in the plant on June 23, 1940, and I can say that the production on that date was quite substantial, and that on March 16 last, the production was seventeen times the figure which was given to me on June 23, 1940

The National Steel Car also manufactures steel freight and passenger cars; and when we remember the statements made in the last few days as to possible shortage of rolling stock, we may be grateful for the efficiency of the plant. It also turns out truck bodies and car frames. When I was there in June last, they were turning out 200 a day. On Sunday last, we saw long lines of freight cars loaded with truck bodies painted in familiar military colours, enabling the motor car industry to function with that efficiency which provided transportation for British troops in Libya and in certain other parts of Africa.

There were 1,800 employees in that plant in the month of June. There are many hundreds more employed at the present time, and I should like to pay a tribute to Mr. Hart, general manager of that company, who apparently is the hardest worker among his employees, for he is there day and night, at all times helping and encouraging.

As a result of my experience there and my observations of what was going on, I could not help being impressed with the fact that all our activities are inter-related and that all of us as individuals or groups are inter-dependent. The products of Canada, products of the land, the sea, the mine and the forest, are brought together, fused by the ingenuity and skill of man. We saw both in action, peace-time pursuit and war-time activity. My Hamilton experience has made me a better Canadian and has given me a greater appreciation of Canada's potentialities and resources, and still greater confidence, if that were possible, in the Minister of Munitions and Supply (Mr. Howe), the guiding genius, directing hand and correlating head of Canada's ministry of munitions.

[Mr. McNiven.]

May I in the time that remains to me make some remarks with regard to my own province of Saskatchewan. I know that as soon as I mention Saskatchewan, the popular mind immediately turns to wheat—thinks of the wheat farmer as the wheat miner who alternately spends his winters in Florida and on relief. Just in that regard I should like to emphasize that Saskatchewan does grow wheat. It grows the best wheat in the world, and has perfected mass production of that commodity.

I know also that the wheat surplus to-day is what the Minister of National Defence (Mr. Ralston) referred to the other day as a headache. But there have been and are great men in the world. The name of one man has come down in history as the result of an idea, generated 2,500 years ago, when Joseph decided to store corn in Egypt. As a result of his wisdom and foresight, the people of that day and generation were saved from starvation, and his prudence and foresight have been remembered all down the ages by the phrase, "There is corn in Egypt." I say to you there is corn in Saskatchewan, and that corn (wheat) will yet fulfil a useful function. Wheat was a factor in the last war. I heard Sir George Paish say two years ago that had it not been for the bountiful harvests of western Canada and the ability of the British navy to ensure its safe transportation, Great Britain would have been starved into submission in 1916 or, if not, in 1917. Wheat will yet be a factor in this war. Wheat will ultimately be a peace-time asset of great value, enabling Prime Minister Churchill to carry out his pledge to the people of the devastated parts of Europe that there will be food in abundance for all.

In the corridors of this building I sometimes hear Saskatchewan referred to as the problem province. May I say, however, that is heard only in the corridors of this building. We have had a long chain of agricultural disasters; rust, wind, grasshoppers, drought, low prices and many other things. But, great as these other problems are, the greatest with which we have had to contend and from which we suffer at the present moment, is the fact that by reason of the manner in which Canada's war effort is being conducted, there are a million people in Saskatchewan who have not been given an opportunity to pull their full weight in Canada's war effort. I submit that we have given abundant evidence of our willingness to pull that full weight, and that we deserve better treatment.

May I remind hon. members that Lieutenant-General McNaughton, commander of Canada's army, was born at Moosomin, Saskatchewan, and also that Saskatchewan citizens of every race and creed have enlisted

in Canada's armed forces. May I remind them also—and this was a surprise to the Minister of National Defence for Naval Services (Mr. Macdonald)—of the number of recruits for the navy who came from the prairie provinces, and, in particular, from Saskatchewan.

Mr. REID: They are good sailors, too.

Mr. McNIVEN: Exceedingly good sailors, as was proven by their experience on board the *Fraser* and the *Margaree*. On the *Fraser*, when it was rammed in the bay of Biscay, there were twenty-three sailors from Saskatchewan, many of them from the city of Regina. Two of those young lads, Donald Snelgrove and Ronald Young, were plunged into the bay of Biscay and swam around for an hour and ten minutes before being rescued. Taken to England, they were stationed on board a boat there, and it had to be moved because the jetty to which it was moored was bombed. A little later, a bomb lit on the right of the boat and, a few minutes later, one on the left. On leave in London, they were on the third floor of a seven-storey hotel, and a bomb came through to the fourth floor. They spent the day in helping the air-raid wardens and the relief department in carrying succour to those who were injured, and during that afternoon a thermite bomb fell on the street sufficiently close to burn the coat of one of those lads. In all of these experiences they escaped unhurt.

Later, they boarded the *Margaree*, and when she was sunk a few months ago, those two lads were the sole survivors of the Saskatchewan contingent on board that boat. The Saskatchewan boys had entered into a compact that those who survived would, on their return to Canada, visit the homes of those who were lost. Those two lads arrived back in Regina; and in order to carry out that compact, borrowed a car and visited the parents of the other twenty-one who were lost on board the *Fraser* and the *Margaree* and carried to those parents a message of sympathy in which we could all join. Singularly enough, on the way home a tire blew out and the car turned over three times. Once again the two lads emerged unhurt. Their reaction to these experiences was that if there is anything in that old story about the cat, they had still two lives coming to them. What an experience for boys not yet 19 years old!

Within the last few days, this city has been honoured by a visit from Wing Commander Ernest McNab, a son of Saskatchewan. I may remind hon. members that he is a son of the lieutenant-governor of Saskatchewan. He covered himself with glory, brought glory to Canada and to his native province, and carried consternation and dismay to the enemy. In this city he was interviewed by the press but refused to talk of his personal exploits. He displayed a modesty which he learned at his mother's knee. He spoke of team work; that spirit he absorbed from the Saskatchewan atmosphere. That spirit is characteristic of the attitude of the people of Saskatchewan to-day; they desire to play their part and pull their weight with the other provinces of the dominion in order that this war may be speedily brought to a successful conclusion. In the armed services, Saskatchewan people have played their full part.

In Saskatchewan, national registration was accomplished in the three days set apart in August, and Regina, which I have the honour to represent, was one of the three constituencies in Canada which carried out national registration on a purely voluntary basis. Over forty thousand men and women were enrolled during those three days without the expenditure of a single dollar of public funds. We have also more than doubled our quota in every one of the war charity appeals of this dominion. In my own city in the last two campaigns the Red Cross succeeded in raising $90,000 in cash at a cost of less than $400.

The war savings certificates campaign has just been concluded. Our city has a recorded population of about 55,000 people, and of this population 15,025 men and women pledged themselves to make monthly contributions to Canada's war effort by the purchase of war savings certificates to a total of $825,000. This has all been accomplished from a sense of duty, and despite difficulties which in 1933 reduced our per capita income to $133, an income lower than the per capita of any other province. Happily, our income is double that to-day, but it is not from surplus income that these contributions are being made. The people of Saskatchewan realize their obligation and these accomplishments are only evidence of a willingness, a desire and an inclination to endure further sacrifices in order to do their part.

I should like to refer to the matter of military establishments. Yesterday the hon. Minister of National Defence put on *Hansard* a table showing the pay and allowances according to military districts. I do not think this table answers the question which I asked. The total to which I referred was $253 million, but the total of what he has given is not anywhere near that amount. From the figures that have been given, it will be noted that No. 12 military district, located in Saskatchewan, has a lower total of pay and allowances than any other district in the dominion. The military pay and allowances

for Canada in 1940 amounted to $183,122,000, which was distributed among the various provinces as follows:

Prince Edward Island	$ 1,824,000
Nova Scotia	18,660,000
New Brunswick	8,772,000
Quebec	27,264,000
Ontario	74,064,000
Manitoba	17,760,000
Saskatchewan	9,552,000
Alberta	7,344,000
British Columbia	17,748,000

It may be inferred from these figures that Saskatchewan men have not been enlisting. What has happened is that Saskatchewan men have been transferred to other units and have been sent to other points for military training. I was really alarmed the other day when I heard the Minister of National Defence outline the plans for the formation of a tank corps and an armoured division. He stated that the training of these units would be carried on at Petawawa, Kingston, Listowel and Barriefield. Reference was made to Lord Strathcona's Horse, which, I believe, originated in the west but now is identified with the city of Listowel. It seems to me that the logical place to recruit an armoured division or a tank corps is in the prairie provinces. In Saskatchewan alone there are more than 47,000 tractors and over 7,000 combines in operation. Our men are experienced in driving tractors and combines; they are used to handling motors. Apparently, however, the whole outfit is to be recruited and trained in the central provinces. Once more we are being deprived of that to which I think we are entitled.

I contend that there should be a wider distribution of war industrial plants in Canada. As was said by the hon. member for Témiscouata (Mr. Pouliot) the other day, there is a possibility of invasion. Just recently, an editorial in one of the Ottawa papers commented upon this. It will be remembered that a year or two ago, the Hon. Doctor Manion referred to the possibility of bombing planes coming down through Hudson bay and James bay to bomb Toronto, Hamilton and other centres. On Sunday last, Mrs. Black, a former member of this house, referred to the possibility of this happening. If that is so, some of these industries should be established on the prairies which are a long distance removed from any such possibility.

I am not speaking in a spirit of jealousy or with a desire to have removed any plants which are located in eastern centres at the present time. I have, however, too much respect for the good people of Hamilton to wish to expose them to the danger of bombing should industrial plants continue to be concentrated there and in other centres. We have no war industries in Saskatchewan. Just one small contract in Saskatoon for the manufacture of universal gun carriages.

Mr. HOMUTH: Does the hon. member say that there are no war industries in Saskatchewan?

Mr. McNIVEN: None at all.

An hon. MEMBER: Except wheat.

Mr. HOWE: What about air training?

Mr. McNIVEN: Hon. members representing different provinces have outlined the war activities in their respective provinces. I notice that British Columbia had, in 1940, a payroll of over $17,000,000. That province has varied industries. They supplied about three-quarters of the timber which was used in Canada's war effort during 1940, I believe a total of 374 million feet.

Mr. REID: We provided a market for your wheat.

Mr. McNIVEN: Of that immense total, only eight million feet was supplied by Saskatchewan.

I come now to the maritimes. The hon. member for Queens-Lunenburg (Mr. Kinley) gloried in the contribution which Nova Scotia was able to make. I read now that traffic is so heavy on the Atlantic portion of the Canadian National railways that there is practically no such thing as unemployment in that section. I understand that the war traffic required 258,000 freight cars, and that more than 7,500,000 tons of war materials have moved over the Atlantic division into the maritime provinces, creating on the Atlantic coast of Canada two of the greatest harbours on the north American continent.

I am not jealous of that, but I do desire most seriously that the people of Saskatchewan be given an opportunity to pull their full weight, and that some effort be made to develop our resources. Yes, Mr. Chairman, we have industries out there. We have resources, besides wheat; and if I had the time, I could speak for hours in telling you not of beauties and grandeur but of the resources of Saskatchewan which are not related in any way to the production of wheat. There are, however, certain things we need. More than $300,000,000 of public money have already been expended in subsidizing certain industries, building new plants in the eastern and other parts of Canada, and not a single dollar of that has been expended in Saskatchewan—with the exception of some airports.

When I first attended the university in Winnipeg some thirty-five years ago, that city was not as large as the city of Regina is

to-day. At that time Calgary was a mere dot on the map. To-day, both those cities have outstripped Regina, and largely because of power developed at Winnipeg and at Calgary, which has brought industry to their doors. Ours is not a well-balanced economy; and if we are going to place ourselves in a better position economically, we must have the development of a block of power. From where, do you say? My reply is that in southern Saskatchewan we have twenty billion tons of coal—yes, I said billions. It is lignite coal, true, but it is a better coal than the brown coal of Germany upon which that country must rely to-day. It is a better coal than the brown coal of Norway and Sweden which was used to develop the iron and steel industry of those countries. It is a coal with an overburden of from 40 to 150 feet. Right there to-day immense steam shovels are operating to remove that overburden and to mine the coal. After it is sized, it is placed on freight cars, all at a minimum of cost.

Already at the mouth of the mine there is an electric plant generating electric current, and distributing it over a limited area in southern Saskatchewan. A company has recently offered to build at the mine mouth a plant which will develop electrical energy at a price of six-tenths of one cent per kilowatt hour, delivered at Regina, 128 miles distant. I realize that power is essential, and feel that something could be done by the government of Canada to establish a war industry in that part of the country, thereby justifying the development of power at the coal mines in Saskatchewan.

In addition to that, there is at Fort à la Corne on the North Saskatchewan river, a hydro site which has been investigated and surveyed. All it lacks is capital for development. Then, there are at Lloydminster in northwestern Saskatchewan, gas and oil fields, which could be utilized for the development of a block of power.

Mr. HOMUTH: Surely the development of power is a provincial matter?

Mr. McNIVEN: And so is the building of an industry inside a particular community. The point I make is that over $300,000,000 of public money has been used to subsidize various enterprises and to provide plants for corporations which are infinitely better financed than is the province of Saskatchewan.

Mr. CASTLEDEN: Why?

Mr. McNIVEN: Why what?

Mr. CASTLEDEN: Why are they being financed?

Mr. McNIVEN: I have no criticism of that. These plants were put up under pressure. Their products were required for immediate use; the government turned to those agencies which could produce the goods with the least possible delay, and the least possible expense, in order to meet the emergency which was right at our door. I am not making any criticism of that. But we are told by Mr. Churchill, and we have been told repeatedly by our Prime Minister that we must prepare for a long war. If we are to prepare for a long war, then let us prepare in a manner which will utilize the resources, willingness, energy, information and initiative of all the people in Canada, including the million in Saskatchewan.

I have mentioned that a site is being developed in Alberta at lake Minawanka, west of Calgary. Already there have been overtures for the transmission of power from that site, or associated sites, to Saskatchewan. If transmission lines were built to connect the cities of Regina, Saskatoon and Moose Jaw, power reserves could be pooled, and a block of power developed which would be sufficient to support a very substantial industry.

May I remind hon. members that in Saskatchewan we have over eight billion lineal feet of standing, merchantable timber, accessible to transportation. Yet for Canada's war effort that province has supplied only some 8,000,000 feet.

Mr. REID: What kind of timber?

Mr. McNIVEN: Spruce, tamarack and a few other varieties of that kind. It is all good lumber. I am not going to suggest that it is available for shipbuilding. The day of the prairie schooner is gone, but I suggest that that lumber could be used for housing, for erecting other buildings required, and thereby conserve the supply of timber in other areas for the building of ships and larger buildings. The use of that timber should be developed under the direction of the timber controller.

We have heard a great deal about our wheat surplus; yet no one has so far made any move to establish a plastics factory on the prairies, right alongside the wheat surplus. In the press we saw rumours respecting the erection of an aeroplane plastics factory, and of course it was to be built in central Canada, 2,000 miles away from the best wheat area in the world. Wheat makes a good plastic. Certain electric fixtures are now being made in Regina from wheat plastic. If a plastics industry could be developed, we would have an outlet for the wheat surplus which is causing so much anxiety to many people to-day.

Last Saturday and Sunday I saw thousands of firebrick in the various plants we visited. I inquired where they came from, and I was informed that they came from England and the United States. The people in charge

seemed to be oblivious of the fact that at Clay Bank, south of Moose Jaw, there is the largest deposit of fireclay in Canada. In fact, there is only one other, and it a small one, in the constituency of Fraser Valley.

Mr. CRUICKSHANK: Not a small one, at all.

Mr. McNIVEN: Well, a little smaller. At that point fireclay is being manufactured into firebrick and is used in the boilers of all locomotives on the western divisions of the Canadian Pacific Railway and the Canadian National Railways. But the users of that material do not seem to know that such a product is available in Saskatchewan, and they proceed to buy it from outside points.

I have spoken a good deal longer than I had intended; but there is one further point which I should like to develop and with respect to which I again suggest Saskatchewan has been overlooked. There have been youth training centres at Regina, Saskatoon, Moose Jaw and Prince Albert. But, sir, the personnel trained in those schools was less by one-half than the number who trained in and graduated from the school in Galt, Ontario.

Mr. HOMUTH: Oh, but look where Galt is!

Mr. McNIVEN: I do not envy the location of Galt. I would sooner be where I am in the city of Regina.

Mr. HOMUTH: You would be surprised.

Mr. McNIVEN: I do not envy them anything they have.

Mr. HOMUTH: They have me.

Mr. McNIVEN: As I was saying, those who have been trained have come down to eastern Canada, and over a hundred of them have found work with the Canada Car and Foundry company at Fort William. Advertisements appear almost daily in our newspapers, calling for trained mechanics and for those experienced in the handling of machines to come down to eastern Canada where they will find a job. You see, Mr. Chairman, what has happened to us. We have been drained economically by the fiscal policy of Canada ever since the days of confederation, and now by the application of the war policy we are being drained of our young men and our young women. It is becoming a problem for us, but the problems that are being created now are nothing to what the problems will be after this war is over to again populate that province and find something for our people to do.

I ask the Minister of Labour (Mr. McLarty) to increase the vote for the training of personnel for war industries so that in Saskatchewan, schools may be established, not only in the large centres such as Regina, Saskatoon and Moose Jaw, but in twenty-five or thirty or forty towns, where schools can train from forty to fifty pupils, because in all those towns will be found that number of willing workers who are eager to be trained. Give them an opportunity to participate in Canada's war effort on an equal basis with people from other parts of Canada. I wanted to bring this matter to the attention of the Minister of Labour and to urge him to increase the vote in order to provide trained personnel from our Saskatchewan towns.

This, together with the location of some war industries in Saskatchewan, particularly those with peace-time possibilities, will remove that sense of frustration which our people resent so much today and will at the same time provide a cushion, a shield, a buttress for the aftermath of the war.

Mr. DIEFENBAKER: Mr. Chairman, I find myself in accord with the address just delivered to this committee with regard to industry in Saskatchewan, but it is not with that I intend to deal this afternoon. Rather I wish to direct certain questions to the Department of National War Services.

Last evening, the Minister of Labour (Mr. McLarty) stated that the day was fast approaching when the man-power of this dominion, so far as labour was concerned, would be used up and that the training courses which are now being given would be insufficient to provide the necessary labour.

What I wish particularly to deal with this afternoon is the mobilization of women throughout the dominion, a matter that has not yet been dealt with by the committee, nor was it dealt with by the Minister of National War Services (Mr. Gardiner) in the review which he gave the other evening. I think the committee and this country should know what the policy of the Department of National War Services and of the Department of National Defence is in connection with the utilization of the services of the women of this dominion.

All of us agree on one thing, that the women of Canada have at this time the will to serve and to sacrifice in even greater measure than during the last war. Many Canadian women feel to-day, as we know from correspondence which all members of the house receive from time to time, that they are being denied that equality of sacrifice for which opportunity is accorded the women of the mother country. I have no apologies for bringing this matter before the committee because, in my opinion, the time has arrived when the women of

Canada should be given a greater share in determining the outcome of this war. They give their services to-day in the Red Cross, in the nursing services, and in great degree in connection with war service campaigns and the like.

Mr. HOMUTH: And they are sacrificing their sons.

Mr. DIEFENBAKER: Yes; we all realize that. They have, however, had no opportunity as yet to serve in any public organization, nor have the auxiliary organizations which they have set up been given that recognition to which I believe they are entitled. There have been started in various parts of Canada by the women of this dominion, voluntary organizations such as the auxiliary service corps, the women's voluntary service corps, the Canadian auxiliary territorial corps, where physical training is given, motor mechanics are taught, and also first-aid and home nursing, and transport and office administration courses are given.

I would ask the Minister of National War Services what use is being made of the training which these women are voluntarily undertaking. These women are willing to serve. Over the radio and in the press they are being asked to serve, and yet no use in a public way is being made of their services. They told of their qualifications in the voluntary registration which the women made in November, 1939. They followed that up and gave their qualifications again in the national registration.

The necessity of mobilizing the woman-power of the nation has been recognized in Great Britain, and the situation there has been epitomized in the words of Peggy Scott, in a recent work known as "British Women in War," a few lines of which I should like to quote:

> Woman, as a national worker, was an experiment during the great war. She was regarded as an acquisition when war came again.
>
> The British government was slow to make the woman-experiment in 1914. It held out both hands to acquire her services before the war began in 1939.
>
> Not until the country had its back against the wall in 1917 were the women allowed to relieve the men in the fighting services. Not until the food of the people was threatened were the women allowed to go on the land. . . .
>
> The government did not wait for war a second time to enrol the women. It reckoned with the woman-power which had astonished it in the last war. Before the second great war began, the government had called for the biggest women's voluntary service ever known, and the navy, the army, and the air force had turned again to the women who had helped them out in 1917-1919.

In the United Kingdom, munitions factories have been staffed from top to bottom in consequence of the training schemes which were established there in 1939 by the women's engineering society. As a result of what has been done in the old country, many men are to-day being relieved for active war service by reason of the fact that the women have been organized to take over managerial and labour work in the munitions factories.

All I am advocating to-day that the Department of National War Services should do is this—prepare now to mobilize these women; do not wait for another year or two years when the problem of a shortage of employees is likely to face this dominion.

In the old country, women are organized also into what one might call military corps: the women's royal naval service, in which they are enlisted as cooks, bookkeepers and the like; the women's auxiliary territorial service, where they are enlisted as clerks, stenographers and the like; the women's auxiliary air service, where they are organized under supervision to do work which is ordinarily done by men. There are also the nursing organizations, to which I shall not now make reference. These organizations of the air force, the navy and the army are under government control, and themselves form part of the services. There are also voluntary corps.

My only reason for making this resumé is to ask the government this question, what is the government doing towards organizing the women of Canada along similar lines to the organizations I have mentioned? What is the government doing towards the establishment of a Canadian women's corps, where the services of women will be utilized in a similar manner to that in which they are used in these corps in Great Britain? Our man-power for purposes of production will gradually diminish—we have been told that over and over again in this committee—as the war progresses; and if this women's corps is set up now, or provision is made for its establishment, many men who are to-day doing work as clerks, cooks, drivers of cars, ambulances and the like, in the army, could be released to active army service. As a matter of fact, it has been estimated that women could take over 10 per cent of the positions now occupied by men in the armed forces of Canada.

I suggest to the government, and I ask for a declaration of policy with regard to, the establishment of training corps for workers, the widening of the scope of those already in existence, the setting up of training courses to fit women throughout Canada to do work in munitions and other factories for, as the Minister of Labour (Mr. McLarty) intimated last night, the day is fast approaching when the necessary man-power for labour

will be diminished to a minimum. The training of women at this time for the day when that shortage of man-power does arise, will ensure that their services will be available when they are required.

What is the position to-day of the Department of National War Services? Does it give inspiration and leadership to women's work in this dominion? Have they any announced policy in this connection? Offers from thousands of women have come during recent months to the department. Are their services being utilized? I will read an excerpt from a letter written by Doctor E. W. Stapleford, director of voluntary services, of the Department of National War Services, on November 6, 1940, in answer to the request of a woman for war work of some kind:

> Your letter of November 2 addressed to the Minister of National War Services has been referred to me for reply.
>
> As yet we have not time to make use of the thousands of offers which have come to this office. This whole problem is being carefully worked out, and we hope that before long we shall be able to offer useful employment to all who desire it.
>
> You may expect to hear from us again in the course of a month or two.

It is revealed there that already offers by the thousand to serve this country had been received. More than two months have elapsed, but as yet there has been no announcement or declaration of policy. What is more, under the regulations as they now stand in this country, women who can secure work in the United Kingdom in connection with the war are denied the right to leave Canada and go to Britain to do the war work which they cannot find an opportunity of doing here. Is it not time that some leadership should be given to the women of this country, by the setting up of an organization to survey, if necessary, the situation here in Canada and to correlate the work of the various women's organizations? I believe there are many outstanding and public-spirited women who would be willing voluntarily to undertake this work with a view to contributing their part in assisting the country and the empire at the present time. I ask the government to answer these questions, in particular: What is being done towards the organization of a women's corps in this dominion? Is it the intention of the government to appoint some woman to take over the direction with a view of organizing the various corps that are willing to serve?

This matter, I submit, is of great importance at this time; it is one that, if properly taken hold of, will do much towards mobilizing and uniting the people of this dominion.

[Mr. Diefenbaker.]

Mr. GILLIS: Mr. Chairman, the few remarks I have to make I should like to have made immediately following the speech of the hon. member for Regina (Mr. McNiven). I was greatly interested in his story of his visit to Hamilton, and was sorry that I could not have taken that trip with other hon. members. I had an invitation to a previous engagement in Hamilton which prevented me from accompanying the delegation. The hon. member effectively told the story of his visit to the different plants, and I am sure that all of us are greatly encouraged to know that matters are going so smoothly in that particular section.

However, while in that city on Sunday, at the same time as the delegation was there, I happened to meet some returned soldiers who served in the last war and who were employed—I say, "were"—by the National Steel Car company, one of the plants visited by the delegation. This group of ex-service men asked me if I would bring to the attention of the government the situation which confronts them at the present time, and which is not very nice. They have been endeavouring with every means at their disposal to have this matter settled by correspondence with their representative here and other agencies, but so far they have received no redress.

In order that hon. members may understand the basis for the few remarks I shall make, and the steps taken by the men themselves for the purpose of having the matter satisfactorily adjusted, I wish to quote from the Hamilton *Review* of September 27, 1940:

> Too old now to fight for their country, there are Hamilton veterans of the last war with a fight on their hands at home this week. And right now it looks like a losing one. They are fighting for their jobs. This week six of them were fired. And there are others slated to go soon. There may be as many as fifty of these old soldiers discharged within the next few weeks. At least, there will be a couple of dozen unless some effective protest is registered at Ottawa. Incompetence is not the reason for dismissals of these veterans, and it is not because their jobs are being eliminated. Every one of them is being replaced, and will be replaced, by a young woman who will do the same job for less money.

That is just the beginning of that editorial which appeared in September, 1940. I have here another copy of the Hamilton *Review* of January 31, and perhaps it would be well for me to read a short extract from an article appearing on that date:

> With their jobs at stake, a group of forty veterans of the last war were looking for a friend in Ottawa this week. They were pretty sure that the saving of those jobs was a matter that a friend in Ottawa could do something about. For nine or ten months now these

veterans have been shell inspectors. By the end of next week most of them, perhaps all, will be ex-shell inspectors—unless the official order of the munitions board is changed; unless someone in Ottawa is able to convince Ottawa that there may be some things more vital to the successful prosecution of Canada's war effort than placing women in their jobs. And we think these veterans might be excused for believing that there are some aspects of the war effort more important. Some of them have told us of things that they see from day to day on their jobs which make them wonder whether Canada's war effort is the serious, all-out business that they have been led to believe.

These men are working on shells of about 50 pounds. When it was pointed out to one official of the munitions board that it would require six women to do the work of two men now on the job, the official replied that the munitions board was "not interested in production." If this answer came as a surprise . . .

And so forth and so on. The matter is not one that arose last Sunday, and the men affected have been doing everything they can to bring about an adjustment. I have no objections to the Department of Munitions and Supply utilizing the services of women in any plant, factory or enterprise where there is a shortage of labour, but from the short visit paid to Hamilton I do not think that in that particular city there is any shortage of labour. I do not think it is conducive to our war effort, or lends any support to the effort in that city, to have forty or fifty ex-service men in this condition. These men went through the last war for the preservation of democracy, to make Canada a fit country for heroes to live in; and to have them, many of them married men with families, replaced to-day by young girls with no responsibility whatever, will not help the war effort. If, as the editorial sets out, it is for the purpose of reducing wages, then I think it is a matter that should be looked into by the Department of Munitions and Supply.

I would gather from a conversation which I had with the men affected that there is some misunderstanding as to who is responsible for the situation, or who has jurisdiction over these particular jobs. These men were shell inspectors. I understand that this work is under the supervision of the United Kingdom technical mission, an organization which at the present time is bringing out from Britain technical experts who are taking charge of this work. I believe that some of the correspondence they had with their own representative stated that there was not much that could be done because this particular end of that operation was in charge of British representatives in this country. Assuming that is true, I still think the government of this country have responsibilities as far as their own employees are concerned.

In some instances an alternative was given some of the men. They were asked if they would go to the United States or move to other parts of Canada and carry on the same line of work in other plants. I was given to understand that the rate of wages in the plant at Hamilton is fifty cents an hour. If they moved to the United States their wages would be increased to fifty-six cents an hour. The men that are being sent from Britain, the technical experts and others from Woolwich arsenal, are paid a subsistence allowance of $17 a week. There was a previous arrangement in that plant, I was told, and what I am saying is subject to correction. I understand that, under the previous arrangement, when they were sent to Canada they were paid a subsistence allowance of $17 a week.

Most of these ex-service men are getting on in years. They are fully qualified and capable of doing that kind of work; but to ask them at this time, with a rate of wages of fifty cents an hour, to break up their homes in Hamilton and move to other parts of Canada or to the United States, without giving them the same subsistence allowance as is given by custom established by the people under whose supervision they are to-day, is absolutely unfair. Most of them are in a poor condition of health. We can understand that. As I say, they are getting along in years, the victims of the last war more or less, and they cannot be expected to pull out and go to another country without any assurance of what they will return to when the war is over.

I think the Minister of Labour (Mr. McLarty) should have some responsibility. The labour department has definitely brought down laws governing wages, and fixed them at a certain level. May I ask whether order in council P.C. 7440 applies in plants under the supervision of the United Kingdom technical mission, and do other labour laws which have been passed in order to regulate matters for the duration of the war equally apply?

I mention this in order to bring it to the attention of hon. members. It is nothing new to those in charge of the Department of Munitions and Supply. There is nothing against these men. They are fully qualified. Some of them showed me certificates given them by employers who are letting them out now. One man in particular had twelve weeks without employment.

He had a certificate from the superintendent stating definitely that he was leaving through no fault of his own; that it was because of a change in their regulations; that the work

was being allocated to women, and the superintendent had no hesitation in recommending him for that work. He gave me a copy of that certificate.

Mr. McLARTY: The hon. member made a suggestion as to the extent to which order in council 7440 applies. Perhaps he would permit me to give the answer. It applies to all labour matters over which the federal government has any jurisdiction.

Mr. GILLIS: What I am endeavouring to find out is this. Apparently this is only the start. I gather that British industries are moving in here now. They are moving in this way, that grants are being made to certain industrial plants in Canada; and when they come into production, technical experts come in and take charge. That plant is entirely manned, as far as employees are concerned, by Canadian labour. What jurisdiction or authority has the Canadian government over a plant which is managed and owned by the United Kingdom technical mission that is directing their work in this country?

Mr. McLARTY: I would say that would be definitely a war industry, and would come under the provisions of order in council 7440.

Mr. HANSON (York-Sunbury): And you have jurisdiction over it?

Mr. McLARTY: Yes; to the extent that it is a war industry, we have jurisdiction, of course.

Mr. GILLIS: I just wanted to bring that to the minister's attention and should like an explanation as to what can be done to have this group of forty or forty-five men retain their work in that city.

Before I sit down I should like to refer to representations that have been made in the house with regard to the question of shipbuilding. I was very much interested in the remarks of the hon. member for Regina City (Mr. McNiven) with respect to the smoothness of our war effort from the industrial point of view as he saw it in a brief visit to one city. The Minister of National Defence for Naval Services (Mr. Macdonald), when questioned last evening as to the possibilities of shipbuilding in Nova Scotia, stated that the reason why more of the appropriation of approximately $50,000,000 was not being expended in that part of the country—only about two per cent of it is allocated to Nova Scotia—was that tenders by those who operate shipbuilding plants in that province were so high that nothing could be done. I know that most of the plants in Nova Scotia are not equipped to handle the type of ships that are needed at present. He also made the observation that there is no provision whatsoever for the government to subsidize that industry.

The operations in Hamilton should be pretty smooth. The government has done pretty well by the industrial set-up in that city. I do not want to go through the list, but I observe that the government has made grants, to one particular company alone, to the extent of $8,000,000. In all, the government has made grants to subsidize industry in that city to the extent of $26,211,776. If that can be done, and if shipbuilding is as much needed as it is at the present time—and there is no doubt it will be more important as time goes on—admittedly something is necessary, at any rate, in the eastern end of Nova Scotia where the only industry they have has declined and employment has been very little helped by reason of the war, and some assistance might be given that industry there. I see no reason why the government should not subsidize or set up a plant of its own, to be operated as a national project, no one making any profit out of it. The industry is necessary there; it will serve the war needs. If they put into it some of the millions that have been put into private industry, and supervise the operation themselves, it would serve both purposes at this time; it would give that part of the country a new lease of life; it would provide ships during the war; and when the war is over, it could be maintained as an industry, for shipbuilding is going to be important for a long time to come.

I am particularly interested in having an answer from the Minister of Labour as to his jurisdiction over that matter in Hamilton, and from the Minister of Munitions and Supply (Mr. Howe). I think the Minister of National Revenue (Mr. Gibson) represents that constituency, and I know he has been doing what he can with respect to bringing the matter to a satisfactory conclusion. This is merely the start of this business; it is going to grow. I am particularly interested in it, as all who are interested in organized labour in this country at this time should be.

Mr. RALSTON: May I say just a word with regard to what my hon. friend said last respecting the intergovernmental inspection board. Until he spoke, I had not heard of the cases to which he refers; I had not heard of ex-service men losing their positions and being replaced by women. The reason I speak of the matter is that the intergovernmental inspection board was constituted by virtue of an order in council which was recommended by myself after negotiations with the British government. The situation in Canada was that we were doing inspection of all sorts of

munitions; the British were doing inspection of all sorts of munitions. That inspection is a highly technical job.

Mr. HANSON (York-Sunbury): Does the minister mean they were overlapping?

Mr. RALSTON: They were overlapping; that is just the point. We have, if I remember correctly, something like one thousand people employed in connection with inspection, and I think the British had something like three thousand. The result was that there was duplication; we were inspecting our stuff and they were inspecting theirs—and in the same factory, my colleague the Minister of National Defence for Air, reminds me. It was not a good or businesslike arrangement from the point of view of economy or efficiency. It was much better that men should be trained and have experience in inspecting all the munitions of any particular class which might come off the line; they would be just that much more skilful for having that opportunity.

The result was the proposal that came, I think, from the United Kingdom first. I am not sure about that; my colleague thinks I am wrong and that it came from the dominion government. As I come to recall it now, I think it came from Mr. Chester, who was then master-general of the ordnance. He considered that this duplication was unjustified and inefficient. After considerable negotiation, an arrangement was arrived at whereby the intergovernmental inspection board was established on which Canada was given equal representation with the United Kingdom, and that, notwithstanding the fact that, at the most, 25 per cent I would think of the material that was being inspected was for Canada and at least 75 per cent for the United Kingdom. Hon. members will realize that that board operates not only in Canada but also in the United States in respect of both United Kingdom and Canadian purchases there, as my hon. friend has indicated by the fact that some of these men were given opportunity to go to the United States. The board was operating under the chairmanship of General Locke who was chairman of the British inspection mission. At present Canada has two representatives and the United Kingdom the same number. The board is being increased by the addition of one member from each side representing each party. They have authority to hire the employees, and some provision is made with regard to rates of wages. Let me point out that in a large measure the British are paying the shot, because the arrangement provides that the costs of the board are divided proportionately to the value of the goods which are inspected. Therefore, the British are perhaps much more interested in the amount being paid for operating expenses including salaries than is Canada.

Having said that, may I say to my hon. friend that my department has two representatives on that board, and the Department of National Defence for Air will have one, I expect shortly. I cannot give the committee any undertaking that anything will be done in respect of the cases my hon. friend has mentioned, because I do not know the circumstances, and the board conducts its own operations. However, I do give the committee the undertaking that I shall be very glad to bring my hon. friend's representations to the attention of the chairman of the board in order that he may ascertain just what the circumstances are. I yield to no one in my desire to see that ex-service men are employed as far as possible. The question asked by my hon. friend gives some indication of the difficulties of government. He protested against the hiring of women to replace men, while the hon. member who preceded him put up strong advocacy of the replacing of men by women in connection with our war effort.

The hon. member for Lake Centre (Mr. Diefenbaker) spoke with regard to the utilization of the women of Canada in our war effort. May I say that the Department of National Defence and the government generally have the greatest appreciation of the offers which have been made by the women of Canada in connection with our war effort. But I do not think they realize, and I do not think the committee realizes how limited is the possibility of employing women to replace men in the army services. This does not mean that a study has not been made of this matter. When I went overseas last fall I made a most thorough examination of the situation over there in order to ascertain what organizations had been set up in connection with which the government had anything to do. I brought back full particulars, and a complete memorandum with regard to the whole matter has been prepared. I just wish to assure my hon. friend that the matter has not escaped our attention.

This memorandum shows that the replacement of men by women in the army service in Canada could be carried out only to the extent of about 1,500 in the year. That figure is quite small compared with the number of ladies who would like to do war work. My hon. friend will realize that there are a limited number of suitable occupations. Some could be taken on as motor drivers or as cooks in permanent camps and in clerical duties, but the number would be limited. The

situation with regard to stenographers in uniform and stenographers out of uniform has certain difficulties. There is some clerical work that women might do, but any clerical work having to do with field formations could not be done by ladies. We must have trained men who are able to go into the field to do this administration work.

Mr. GREEN: Would that be in connection with the active or reserve army?

Mr. RALSTON: I am referring to all possibilities in the army service where women might be placed, both active and reserve. I have had ladies call on me from Winnipeg, Montreal, Victoria and other points, and I imagine that many of my colleagues have had the same experience. I realize how patriotic these ladies are in their desire to do war work. My colleague, the Minister of National War Services (Mr. Gardiner) has had the matter under full consideration, and I expect that before very long we shall be able to announce the best method of taking care of this situation. As far as taking full advantage of the offers of these ladies is concerned, my hon. friend must remember that much as we may wish to avail ourselves of all offers, there are many people who cannot be engaged directly in war work. Someone must be doing the other work. I do not think it can be taken as a reflection upon the government or upon the war effort of the people of Canada when it is realized that everyone who desires to be directly engaged in war work, cannot be so engaged.

In order to let hon. members fully into the situation, I might add that there is some question as to whether a woman's corps should be a civilian organization or whether it should be organized within the Department of National Defence. If my hon. friend has studied the situation in England, he will know that in that country only a limited number is attached to the services. However, the great body of the women who are working in connection with the war belong to women's volunteer organizations which are completely outside the departments of government. The question is not a simple one, and notwithstanding my hon. friend's vigorous advocacy, I say to him that many questions will have to be considered before we can formulate a policy. When I tell him that the maximum number of women who could be employed is only 1,500, he will realize that there have been some things which have taken our attention in the last few weeks, which have made it necessary at least to postpone the complete consideration of this question to this time.

[Mr. Ralston.]

Mr. GREEN: Has consideration been given to the formation of a women's land army?

Mr. RALSTON: I may say that in the memorandum consideration was not given to that. Consideration was given to the utilization of women in connection with the army services.

Mr. GREEN: Has the other matter not been considered?

Mr. RALSTON: I am quite satisfied that my colleague, the Minister of National War Services, has had that under consideration.

Mr. GIBSON: I should like to make a few remarks in reply to the hon. member for Cape Breton South (Mr. Gillis) concerning the inspection staff at Hamilton. Munitions were being made prior to the war at the National Steel Car company. Upon war breaking out, the British authorities increased their orders at that plant and set up a staff to provide inspectors for the shells that were being sent overseas. The officials were careful to take on as inspectors only men who had had overseas service, and we in Hamilton were careful to see that returned soldiers were so employed. Later on, when the British government began to expand the production of shells in other plants, they had to increase the number of inspectors. These men were not taken into the National Steel Car company for the purpose of acting as inspectors in that plant forever; they were brought in to be trained, and they signed an undertaking that when they had been trained they would go to whatever plant they were sent.

When the time came for these men to be sent to other industrial plants which were making munitions and which required their services, a certain number of them refused to leave Hamilton. They did not wish to leave their families and break up their homes, and rather than move from Hamilton they decided to resign and look for other employment. This matter was taken up with the officials by myself and other people, and we were told that they were willing to provide transportation for the men and to move their families, but that they must employ the men in outside factories; they could not be retained in Hamilton. They pointed out that they did not wish to go to the expense of training inspectors and have them resign when they had completed their training. That was the last thing in the world they wanted; they wanted these men to go and do the work for which they had been trained. I have had assurance from General Locke, the chairman of the inspection board, that any man who finished his training

would be given inspection work if he was willing to go where he was sent, but General Locke could not give assurance that the men would be employed in Hamilton, because, that is not the job for which they were taken on and trained.

Mr. GILLIS: I think the minister is more familiar with this question than I am. I had only a short visit there when I talked with these men. Is it true that the original understanding by these inspectors was that in the event of their being sent out to other parts of Canada, a subsistence allowance would be paid to them, in addition to their regular wages? If they were asked to go to some other part of Canada or to the United States, the subsistence allowance would disappear, and the only change in the rate would be six cents an hour.

Mr. RALSTON: Is my hon. friend asking whether I know that was the arrangement?

Mr. GILLIS: I am asking the Minister of National Revenue.

Mr. GIBSON: I cannot say that I know what the arrangement was, but I do know that if they were sent to the United States, they were given an allowance to take care of United States exchange. That arrangement has been in operation right along.

Mr. GILLIS: The original understanding was that subsistence allowance would be paid. Then, after training, when some of them were approached to go to other parts of Canada or to the United States, they were informed that this had been changed. The difference of six cents an hour, if a man had to move into the United States, would not be a fair proposition.

The Minister of National Defence has stated that I was protesting against the employment of women. I do not wish to get in wrong with the women. I have no objection to the employment of women in any enterprise in Canada, where such employment is necessary, and where it will release men for more important duties, or where they will take the place of men going overseas. I am informed, however, that what happened in Hamilton was that men were laid off and placed in the ranks of the unemployed, and that girls with no responsibility were put in their places.

Mr. MacNICOL: Is my hon. friend speaking about inspectors being laid off?

Mr. GILLIS: Yes. I understand these men were replaced by girls, and, in some instances, girls who had no obligations. Those men who went off their jobs in Hamilton were relegated to the ranks of the unemployed, and in future will be recipients of relief. The services of women should not be utilized in that way, and I protest against it. When, however, the employment of women is necessary so as to relieve men to perform more important work, that is all right.

Mr. GIBSON: My hon. friend is going rather far when he says those men were relegated to the ranks of the unemployed. They were employed with the National Steel Car corporation. There are, however, other industries in Hamilton looking for men to-day. In the meantime the majority of those men will have found employment in other industries busily engaged in that city.

Mr. GILLIS: I know at least one man who told me he was unemployed for twelve weeks; that he had not had a day's work in that time, and that when he did get employment, it was through the efforts of the men themselves. The men were working full time, seven days a week, and they made an arrangement among themselves so that the men in turn would take a shift off one night to give this young man an opportunity to work. That lasted only a short time. I understand that he is now receiving work as a temporary watchman, but he was unemployed for twelve weeks and he told me that there were others in the same position.

Mr. HANSON (York-Sunbury): Would the Minister of Labour tell us what is the exact jurisdictional position with respect to this inspectional service employed under the joint board of which we have heard here, having regard to the policy laid down by the government with regard to labour, hours of labour, wages and so forth in Canada? In other words, are they without the pale of the jurisdiction of the Department of Labour, on their own, so to speak; or has an effort been made to have the British government conform to Canadian standards in that respect? What is the position, so that we may have it concretely before us?

Mr. McLARTY: I would answer that, generally speaking, the jurisdiction of the government of Canada over labour is limited by the decisions of the judicial committee of the privy council in 1924, I think it was, in the case of the Toronto Electric Commissioners—

Mr. HANSON (York-Sunbury): Where the Lemieux act was declared ultra vires?

Mr. McLARTY: Quite so.

Mr. HANSON (York-Sunbury): But we are at war, and we are governed now by the War Measures Act.

Mr. McLARTY: I would say in answer to my hon. friend's definite question that the

government of Canada has definite jurisdiction, whether it is a war industry under the control of the Canadian government or one that has orders from the British government. In other words, I would say that we have complete control in the matter of jurisdiction in connection with all war industries.

Mr. HANSON (York-Sunbury): And in connection with the inspectional services of the joint board?

Mr. McLARTY: I would say that that follows naturally.

Mr. HANSON (York-Sunbury): Yes, I would think so.

Mr. RALSTON: My hon. friend will understand that most of the employees handed over to the board were civil servants or officers already employed by the government.

Mr. BLACKMORE: The simple fact that impresses itself upon me as a result of this discussion is this: that Canada is not short of labour. Canada has a surplus of labour, and Canada has a surplus of raw materials or resources. Canada can therefore increase her production of practically any commodity of which she desires to increase production. This means that all we have been listening to for six months now from this government about a threatened shortage of labour was just a little bit beside the point.

Mr. GIBSON: If my hon. friend would go to Hamilton and see the new industries, the big plants that are being put up, he would realize that when they are completed shortly, any surplus of labour that appears to be there at the present time will be completely absorbed and there will, in addition, be a demand for outside labour to come in.

Mr. BLACKMORE: The point that impresses me is this. Here are great numbers of women from one end of this country to the other, and in many cities of Canada there are thousands of men looking for work. There must be tens of thousands of people who have never registered as being unemployed, but who would be willing and able and glad to work if they could get the chance to work. At the present time, however, so far as I can gather—and I wish to be perfectly fair to the government—the government does not seem to have any proper, coordinated method, any definite, effective way of getting the people who wish to work in contact with the jobs that need to be done.

Progress reported.

[Mr. McLarty.]

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

Thursday, March 20, 1941.

The house met at three o'clock.

HON. R. B. HANSON

BIRTHDAY GREETINGS TO THE LEADER OF THE OPPOSITION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before the flowers are taken away, may I have the pleasure of extending to my hon. friend the leader of the opposition (Mr. Hanson) my best wishes for many happy returns of the day. I do so as well on behalf of my colleagues, on behalf of all hon. members on this side of the house, and, may I say, on behalf of all hon. members of the house. We all wish him many happy returns of the day.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, may I thank the Prime Minister for his kindly sentiments expressed just now to myself. It is a matter of the greatest regret, I think, to every one of us that time will not pause. I declare now that I am not going to have any more birthdays.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*CIVIL PROTECTION COMMITTEE

Mr. COLDWELL:

1. Under whose authority are civil protection committees established?

2. What is their relation to the Royal Canadian Mounted Police?

3. Under whose authority did the Verdun civil protection committee, on Saturday afternoon, March 1, 1941, stop cars and demand registration certificates or licences?

4. Is it the policy of the department to allow local organizations to arrange check-ups of this nature?

Mr. LAPOINTE (Quebec East): I can only answer question 2, which concerns the Royal Canadian Mounted Police; to this question the answer is, none. Perhaps it may be just as well to have the question stand for the other departments.

Mr. COLDWELL: Yes.

Mr. SPEAKER: Stands as to 1, 3 and 4.

LIVERPOOL, N.S., DREDGE

Mr. BLACK (Cumberland):

1. Has the Department of Public Works a dredge at Liverpool, Nova Scotia? If so, state, (a) when it was last in service and where it operated; (b) what has been the cost each year since 1935, for repairs, caretakers, rental for storage or wharfage accommodation, other expenses?

2. When was such dredge built, what is the present estimated value, and what is the estimated cost to put it in satisfactory working condition?

Mr. CARDIN:

1. Yes, dredge "No. 115."

(a) 1930-31 at Liverpool, Brooklyn, and Lockeport, N.S.

(b)	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41*
Repairs	Nil	Nil	Nil	$ 130 06	$ 85 00	$ 16 15
Caretaker	$2,007 10	$1,765 08	$2,061 28	2,064 51	2,096 78	1,730 65
Storage and wharfage	688 50	646 75	638 25	638 75	640 50	535 50
Stores, etc	557 30	235 00	192 45	346 02	90 49	175 00

*To January 31, 1941.

2. (a) 1906; (b) $45,000; (c) $14,675.

IMPORTS OF FRUITS AND VEGETABLES

Mr. GRAYDON:

1. What was the total value of the imports of fresh fruits from the United States into Canada during the calendar year 1940?

2. What was the total value of citrus fruits and fruits of a class or kind not grown in Canada imported from the United States during the said year?

3. What was the total value of fresh vegetables so imported during the said year?

Mr. MacKINNON (Edmonton West):

1. Total value of imports of fresh fruits from the United States into Canada during the calendar year 1940 were $16,132,037.

2. Total value of citrus fruits from the United States into Canada during the calendar year 1940 was $9,625,373.

3. Total value of fresh vegetables from the United States into Canada during the calendar year 1940 was $5,890,223.

DECENNIAL CENSUS

INQUIRY AS TO DECISION TO PROCEED IN 1941

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to direct a question to the Minister of Trade and Commerce. In view of wartime conditions, and in the interests of economy, has the government decided to postpone the taking of the census for this year?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): The question of the census is under consideration by the government.

Mr. GRAYDON: Does that mean that there is some chance of postponement?

Mr. MacKINNON (Edmonton West): I cannot answer that at the moment.

WAR APPROPRIATION BILL

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

The house resumed from Wednesday, March 19, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Vien in the chair.

Mr. GREEN: I think it would be very helpful to the committee if the Minister of Pensions and National Health (Mr. Mackenzie) would explain the present situation with regard to air raid precautions work across Canada. As I understand it, a year or so ago the government set aside a certain amount of money to be used to finance the development of air raid precautions groups in certain parts of the country, and looked to the provincial governments and the municipalities to carry out the details. I do not know of course what the situation is in the other provinces, but in British Columbia the time has come when some government, dominion or provincial or municipal, must be given the responsibility of leadership in the making of necessary further arrangements. For example, in British Columbia several thousand people have taken training and have really made great sacrifices

to fit themselves to take charge in the event of air raids, but now they have no proper places in which to store their equipment, nor have they any alarm signals or sirens; there is no central control system such as would be needed in the event of air raids, and they have no depots at all for various headquarters, no first aid posts. In many ways the scheme has come to a dead end.

These people have shown an excellent spirit throughout, over a long period of time, and if all that effort is not to be lost, definite steps must be taken at once either by the federal government or by the different provincial governments. I notice that in this war appropriation provision is made for $250,000 for air raid precautions work. I would ask the minister to tell us just how far the government proposes to go. Are the various local committees that have been set up being given any information that will enable them to judge as to the seriousness of the danger of air raids? How can they tell whether they should organize on the basis of an imminent threat or on the basis of the mere possibility of danger?

I think the local governments are entitled to have that information from the federal government, and they should know whether or not they have to put up any further money that is required or whether it will come from the federal government. Some of the municipalities find themselves without the legal power to tax, to raise money for furthering this work; yet the provincial governments are hanging back, not paying out the necessary money, and there is great confusion in different parts of the country. I am quite certain that leadership is needed from the government here and I would ask the minister to tell us what the government proposes to do.

Mr. MACKENZIE (Vancouver Centre): As indicated last year before war broke out, an interdepartmental committee was formed to consider the question of air raid precautions in Canada and a report was available with respect to the situation before the outbreak of the present war. Acting upon the recommendation made in that report, the responsibility for initiating certain measures was entrusted to the Department of Pensions and National Health, as in England. There, the ministry of health was entrusted with the work. The first method of procedure was to ask the Department of National Defence to specify which areas in Canada would be considered vulnerable.

Mr. GREEN: Will the minister tell us what areas have been so specified?

Mr. MACKENZIE (Vancouver Centre): It would not be wise to do so.

Mr. GREEN: That is confidential information?

Mr. MACKENZIE (Vancouver Centre): I can tell my hon. friend privately, but I would not state it in public because it is marked most secret by the Department of National Defence. Otherwise I should be glad to tell my hon. friend.

Certain degrees of vulnerability are assessed in the recommendations made by the Department of National Defence, and consequent upon that the officers of the Department of Pensions and National Health got in touch with the various provincial governments—at first, only four governments: those of Nova Scotia, New Brunswick, Quebec and British Columbia. The provincial premiers were interviewed well over a year ago and they agreed to set up provincial committees, and it was also agreed to set up municipal or regional committees in the various provinces. Generally speaking, the recommendation of the first committee was that air raid precautions work was in the nature of passive defence and would be considered to be in the main the responsibility of the local authorities, that is, the provinces and the municipalities. The order in council itself was rather secret and was not circulated. A letter of instructions based on the terms of that order in council was sent out to the various provinces outlining what their responsibility would be and what measure of cooperation would be extended by the federal government.

Excellent work has been done in all provinces and since that time the organization has been developed in Ontario and is now under way in the federal district in Ottawa. A recommendation was made by my predecessor at the very outset of the war that a grant be made to these four provinces, for the purpose of organization only, of $5,000 each, and there may be some more small grants for the purpose of organization. But in recent months the assistance being given by the federal government from these moneys, last year some $100,000 and $250,000 this year, consists

practically entirely of literature and thirteen or fourteen different kinds of equipment which I shall be glad to specify later. So that at the present time I do not think assistance is being given for anything like salaries or expenses, which are assumed entirely by the various provincial governments. In Nova Scotia, for instance, they have expended only one or two thousand dollars of the first grant, and they have done excellent work. I saw the black-out once myself in Halifax, it was most successfully carried out. Excellent work is being done also in New Brunswick.

The trouble has been, if I may use the word, that the patriotic urge to serve outran the terms of the intention of the recommendation of the committee when that recommendation was first submitted. In some provinces, notably Quebec and our own province of British Columbia, through keenness and anxiety to branch out they did engage in many activities which really were not related to air raid precaution work as such. There is now some disappointment in some of these centres because they have trained great numbers of men in this very excellent work—

Mr. GREEN: Can the minister give the numbers?

Mr. MACKENZIE (Vancouver Centre): Yes, I was just going to do that. They are as follows:

Province	Wardens	Auxiliary fire	First aid	Municipal
New Brunswick	1,712	111	587	154
Nova Scotia	1,500	100	400	100
Ontario	10,000	5,000	2,500	1,000
Quebec	30,000	1,000	2,500	750
British Columbia	2,800	650	600	250
Federal District	2,200	250	450	150
	48,212	7,111	7,037	2,404

Total personnel, 64,764.

This was made up last week.

In regard to the nature of the work carried out, in the first place the wardens, who are practically all volunteers, are attached to the various police forces. Their duties are to know the districts to which the various workers are assigned, to know the locations of first aid posts, fire alarm boxes, and the resident address of doctors; to prevent panic or confusion; to patrol and enforce lighting restrictions during black-outs.

The auxiliary fire services consist of volunteers trained by the fire chiefs to augment and assist the regular fire departments by relieving the firemen of ground duties.

The engineering services are volunteers trained by the ordinary municipal repair crews to assist in regard to water mains, sewers, et cetera, also a number trained in decontamination work and the demolition of buildings.

Under public utilities, are volunteers to assist, if required, repair gangs of electric light, gas and telephone companies.

The first aid are volunteers for stretcher parties and first aid posts. Under the Red Cross there are volunteers for relief and care of temporary homeless—this is a matter of training of course; for the care of evacuees if the evacuation of any centre is found necessary; for the hospitalization of injured.

Under transportation come volunteers with privately-owned cars and light trucks used as ambulances or for other transport needs. That is the basis of the transport organization, following closely experience obtained by some officers who had been overseas and seen the methods adopted over there. But the responsibility of carrying them out is entirely that of the local authorities. This government is assisting as far as possible in the type of equipment most necessary to carry out that work.

Mr. GREEN: Does the government intend to go any further than it has already gone? It is of the greatest importance that this work should not be allowed to drop at this stage. The minister has just said that there are approximately 64,000 volunteers trained to do this work. I fear that if further equipment is not provided without much more delay these volunteer groups will not be held together. The vote has been increased this year; is it not possible for the government to provide the equipment which has become necessary in connection with the more advanced training? For example, should not the government provide alarm signals and the central control system, and depots in which to store equipment which after all has been bought with federal government funds? There is not much money involved, but if the government does

not step out and take a lead the whole thing may be lost; thousands of people who had felt they were doing something to help the war effort will be discouraged, and there will be a weakening of morale right across the country. Is the government not prepared to go further and meet this present situation, or must the provincial governments do it?

Mr. MACKENZIE (Vancouver Centre): I stated very carefully in reply to my hon. friend that to make it a primary federal responsibility would be an absolute departure from the entire spirit of the recommendation upon which they acted in the first place. Even in England, where of course there is much greater necessity for this kind of work, they commenced it on a local authority basis. I saw a clipping from a Scottish paper in which it was stated that the local community were complaining that they could not carry on their share of this work. But it would be unwise to assume this as a federal responsibility. It is the responsibility of the local authority.

In regard to equipment I see no reason why we cannot assist materially in that regard. There are considerable quantities of equipment now in the provinces.

In regard to storage, something can certainly be done. I am not aware that there is any necessity for storage facilities in any centre, but I will certainly look into that. If any additional equipment is recommended by those in charge of the work, I see no reason why—

Mr. GREEN: Who would make the recommendation?

Mr. MACKENZIE (Vancouver Centre): Doctor Gliddon, our federal officer, is in constant touch with the provinces. He was in Vancouver a couple of weeks ago. Ontario has got out an excellent booklet on the various phases of A.R.P. work, and they have done the same in Quebec and in the maritime provinces.

Having regard to the experience of other countries, unless the situation drastically changes I think it would be a mistake to assume this as a federal responsibility entirely. I am satisfied that excellent progress has been made in all centres, and, as mentioned by my hon. friends, the spirit of these volunteers is simply splendid in every way.

Mr. GREEN: At the moment I am not suggesting that the federal government should take over the plan in its entirety. What I want to know is whether or not the federal government will provide the funds required for the further equipment which is needed if the training is to be carried on.

[Mr. Green.]

Mr. MACKENZIE (Vancouver Centre): If our experts who are in constant touch with the situation recommend it as necessary.

Mr. GREEN: That is, if Doctor Gliddon recommends it, the government will act?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GREEN: What arrangements are being made to provide for compensation in the event of any of these wardens being killed or injured? Is any provision made for them or for their families?

Mr. MACKENZIE (Vancouver Centre): Not definitely as yet, but that matter has been under consideration for some time and an order in council has been prepared to deal with it. The order in council is now before the Department of Justice for review.

Mr. HOMUTH: Is it the local committee in the municipality that requisitions whatever equipment it may need?

Mr. MACKENZIE (Vancouver Centre): Yes. They would probably get in touch with the provincial A.R.P. officer. The municipal authorities dealing with this work, say in the city of Toronto, would get in touch with that officer. If he, after consultation with the attorney general, who is in charge of the matter, thought it was a federal responsibility, we would be asked immediately to supply the equipment, and in all likelihood that equipment would be issued.

Mr. LOCKHART: Just following that through, is it entirely under provincial jurisdiction as to what equipment will be supplied to the local groups in the various municipalities, or does the federal government come through with certain recommendations? Who is definitely responsible for the type of equipment that is being bought; and what supervision does the federal government exercise?

Mr. MACKENZIE (Vancouver Centre): From our experience certain equipment has been supplied, and perhaps if I name that equipment it will answer my hon. friend's question: Badges and arm bands; crutches; first aid haversacks complete with eleven articles; first aid kit boxes complete with twenty articles; first aid pouches; metal stretchers; protective clothing; splints; rubber knee boots; tarpaulins; gas masks and carriers for instructional purposes. These are some of the items. Other types of equipment, such as those mentioned by the hon. member for Vancouver South, have not yet been supplied by this government, but that is a matter for discussion with the various provinces.

Mr. LOCKHART: Have there been any actual trial black-outs in Canada, and is any consideration being given to the need for air raid shelters?

Mr. MACKENZIE (Vancouver Centre): There have been several trial black-outs. I do not think they have had any on the Pacific coast as yet, but that is entirely a matter for the local authorities to decide, as a rule after consultation with the officers of the Department of National Defence in the area concerned, when they are sufficiently well equipped to have a black-out arranged. I think my hon. friend will find certain procedure set out in sections 32 and 33 of the defence of Canada regulations. The officer commanding the area or district would be interviewed by the chief provincial A.R.P. officer, and the air force and other defence services probably would cooperate in staging any such black-out.

Mr. LOCKHART: What about the air raid shelters?

Mr. MACKENZIE (Vancouver Centre): So far as I know there is no provision as yet for any shelters.

Mr. LOCKHART: Has that been considered by any department of the government?

Mr. MACKENZIE (Vancouver Centre): It has been discussed, and it was the considered opinion that for the time being it would be premature to embark upon an extensive policy of air raid shelters.

Mr. LOCKHART: How many paid employees has the dominion government in this air raid work?

Mr. MACKENZIE (Vancouver Centre): Just Doctor Gliddon and whatever secretarial staff he may have. Recently, for purposes of inspection, Colonel Snell, who of course is a high officer in the St. John ambulance corps, accompanied Doctor Gliddon across Canada to interview the authorities in the various districts I have mentioned.

Mr. LOCKHART: Has the minister any idea how many paid employees there are in the different provinces?

Mr. MACKENZIE (Vancouver Centre): I have not that information but I can get it for my hon. friend later on.

Mr. LOCKHART: They are all paid by the provincial governments?

Mr. MACKENZIE (Vancouver Centre): Yes, not by us at all.

Mr. HANSON (York-Sunbury): The whole thing was intended to be on a voluntary basis, was it not?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. HANSON (York-Sunbury): A grant of $5,000 was made by this government to the government of New Brunswick, and, after some considerable delay, action was taken to organize air raid precaution work in that province. I should like to pay a tribute to the former mayor of the city of Saint John for the work he did in connection with this matter.

Mr. MACKENZIE (Vancouver Centre): I quite agree with my hon. friend.

Mr. HANSON (York-Sunbury): He is a first class citizen of Canada, and he took a keen interest in these matters. Will the minister say that if requisitions are sent on for A.R.P. material such as he mentions, the government will at once arrange to have it issued? So far I think it has been limited in New Brunswick to the seaport city of Saint John, though there have been some small efforts made by the city of Moncton. With these exceptions the movement has not been extended, I suppose on the theory that Hitler's submarines have not reached this side of the ocean as yet. In the city of Halifax, however, they have done a very considerable amount of work. How far is the government prepared to go towards, shall I say, underwriting the cost of this movement, or has consideration been given that point?

Mr. MACKENZIE (Vancouver Centre): In regard to locality the department administering these moneys is governed by the recommendations of a staff committee of the Department of National Defence. In other words under our authority we cannot properly expend any of these moneys in areas other than those proclaimed to be vulnerable by the Minister of National Defence.

Mr. HANSON (York-Sunbury): That seems very sound.

Mr. MACKENZIE (Vancouver Centre): In regard to equipment, that would be a matter of experience. Any equipment that might be deemed necessary for the thorough training of these volunteers in the various subbranches of the service would be supplied by the federal government.

Mr. LOCKHART: Would the minister be good enough to give us a break-down of the $250,000 which is being supplied the provinces under this estimate?

Mr. MACKENZIE (Vancouver Centre): It has not been broken down at all; it is purely an estimate. I can give my hon. friend the amounts spent in the various provinces up to date, if that would answer his question.

Mr. LOCKHART: Yes, and how the last appropriation was spent.

Mr. MACKENZIE (Vancouver Centre): It will not be exactly limited to the last appropriation, for this reason: a governor general's warrant was obtained at the very outset of the war, and some of those moneys were used for the purpose of obtaining emergency equipment, before we got any moneys from the war appropriation of last year. As I said, there were grants made of $5,000 each to Nova Scotia, New Brunswick, Ontario and British Columbia, and $10,000 to Quebec, and $5,000 to the St. John ambulance corps. Printing and stationery, head office, $4,551; this was for sending out these pamphlets and booklets. The amount spent in Ontario for printing and stationery was $1,648.50. For further books of instruction we spent at headquarters $1,410.20. Films cost $298.87. Then the travelling expenses of federal officers all across Canada amounted to $4,037.77.

Mr. LOCKHART: May I ask how many federal officers?

Mr. MACKENZIE (Vancouver Centre): Just the two I mentioned a moment ago. Incidentals, freight, express and so on, $2,812.42; supplies, head office and Plaza stores, $32,516. That is for the various types of equipment specified. The supplies by provinces were as follows:

Nova Scotia	$ 8,149
New Brunswick	7,064
Quebec	15,408
Ontario	42,577
British Columbia	15,048
Federal district	5,019

That makes a total of $126,185 for supplies; and with the other items with which I began my reply the total is $175,943.82.

Mr. FRASER (Peterborough West): I should like to ask the minister if the women's auxiliary corps throughout the country have been used in connection with this work. In the city of Peterborough they have a women's auxiliary corps with over two hundred members. They have been training for over six months. They have taken a course covering the St. John ambulance corps first aid course; they have had lectures on anti-gas work, and they have been helped by the officers of the training camp there. "A" company have had military training, under an officer, in army office work and correspondence. "B" company have had training in map reading, and later on they are going to take up motor mechanics. "C" company have had lectures under Doctor Clarke, medical officer of health of Peterborough, in sanitation, and is now taking an advanced course in first aid under St. John ambulance corps officers. "D" company have completed a course in dietetics, and in another week they go into canteen work. Could these women be used in that work? Yesterday the hon. member for Lake Centre asked the Minister of National War Services a question on this point. These Peterborough women are anxious to get into war work and do what they can to help win the war.

Mr. MACKENZIE (Vancouver Centre): Many women are now being used in connection with these services. The information I have before me, which was compiled about two weeks ago, shows that there were at that time in Canada about 65,000 registered volunteer air raid precaution workers. Of these, 1,438 were doctors and 3,119 nurses. Of the others many thousands had then completed their training in first-aid during the year 1940. The department has now a record of almost 38,658 first-aid certificates issued by the St. John Ambulance Association in 1940 to those who have completed their training. Those certificates were not all for individuals at the time enrolled in A.R.P. work, but a large majority will be eventually. In addition about 22 new divisions of the St. John ambulance brigade have been formed, the majority of them in Ontario. More than 23,000 persons have received training in order that they may be qualified to serve as air raid wardens, and approximately 4,000 volunteer firemen were taking training. More than 2,700 persons were trained in mobile squads to assist the police in preventing any disorder or looting at the time of a crisis.

The answer, then, is that many women are now being employed in the rendering of most excellent services. I do not think any organization, as such, could probably be used in this work. But probably many of the members referred to in the question of the hon. member are now rendering excellent services.

Mr. McIVOR: Mr. Chairman, I rise to give expression to one or two thoughts which have been passing through my mind, and which I am sure have been in the minds of persons in this house and outside it, with regard to the patience of the government in answering questions as to details. I am just wondering when there is going to be a limit.

I shall give a concrete example of courteous procedure in the furnishing of details. A young man who trained in Toronto and took an eight-weeks' course interviewed the hon. member for Weyburn, asking why he did not have a job. In Fort William I was interviewed by a young man who came from the west, and who wondered why he did not have a job. He had had ten months' training in an aeroplane factory, and thought he

should have obtained a job at the expiration of that training. I believe he showed wisdom in approaching the local member, because a local member in a constituency should be able to answer questions of that kind, settle difficulties, or give direction as to where an answer can be obtained. I told him what to do, and said that if he did not get redress he might come back to see me. But the reason he was not employed was that he was a Chinaman.

I appreciate very much the fact that the Minister of Labour is keeping in motion the machinery set up by the late Hon. Norman Rogers, at one time Minister of Labour, who did good work in connection with the youth training plan. The present minister is keeping the machinery oiled in such a way that it is functioning in a splendid fashion throughout Canada. So well does it function that with the exception of one person a whole class has come in from a western city for employment in another place.

I have risen to speak because I am wondering when this debate is going to close. So far it has reached only the resolution stage, and the legislation must still be considered on second reading and in committee of the whole. When is this debate going to close? When you and I hear over the radio and read in our newspapers what happened in London last night, when we know that they are being shot at and bombed to pieces, and when we know that the people of the United States are stepping on the gas—and I use that expression advisedly—because they see the need, and realize what the democracies of the world are facing, why should it take so long for us to pass this measure? Why is it that congress can pass a bill in four days which involves seven billions of dollars, and we cannot pass this resolution, even after two weeks of discussion? I suggest we should have a little more regard to what is happening, that we should get this resolution through and let the Minister of Finance get on with his work. I suggest that we do this so that we may tell the United States and the world that we mean business, and that we are going out to support the allies in the winning of this war.

Mr. GRAYDON: Mr. Chairman, I rise to make some comments with respect to the statements made by the previous speaker. He is a gentleman, and a member for whom I have perhaps as high regard as I have for anyone in the House of Commons. I hesitate even to correct some of the thoughts which he said were drifting through his mind and which obligated him to speak this afternoon.

May I point out—and I do this in a sense of fairness, and I believe in a constructive way—that if we are looking for the persons responsible for the circuitous manner in which this debate has been conducted, for the delay and for the lack of continuity, I believe that entire responsibility can be placed upon the government, not upon the opposition or upon those of whom the hon. member for Fort William has spoken.

Mr. BRADETTE: That is not what the public thinks.

Mr. GRAYDON: May I point out—

Mr. BRADETTE: The public knows better than that.

Mr. GRAYDON: Before my hon. friends become too caustic they might better reserve their judgment, because I am going to say something with which they will agree.

Mr. DUPUIS: We want to say it is not so.

Mr. GRAYDON: In the first place hon. members will want to speak themselves, and at such time I shall be glad to listen.

When the debate on the resolution in committee began, most of us wondered how the government was going to conduct the debate. It was not until March 13 of this year that we finally got the war-time estimates from the government. In times of peace we have always followed the course which we thought would expedite debate, namely, that of discussing estimates department by department. Had the government done what has always been done in peace time; had it handled its present war-time estimates department by department instead of having all the war ministers as well as other members of the cabinet sitting here day after day, the results would have been much better. Had the estimates been brought down department by department there would have been no need for the attendance of more than one minister of the crown at any time. Ministers would have been saved the time they spent sitting in the house, away from their departmental duties, and in addition there would have been some continuity of effort in the debate. For that reason I suggest that when the discussion—

Mr. BRADETTE: Let us get on with the business of the house.

Mr. GRAYDON: Mr. Chairman, I have a high regard for the hon. member for Cochrane. I do not believe I have ever interrupted him, and I can assure him that his humorous interruptions this afternoon are being taken in the spirit in which they are made.

Now, if I may proceed, I will say that while perhaps—

Mr. BRADETTE: Keep on moralizing.

Mr. GRAYDON: I did not hear that.

Mr. BRADETTE: Keep on moralizing.

Mr. MARTIN: He asked the hon. member to be moral.

Mr. GRAYDON: I was looking in that direction, and perhaps I may have deviated from that course a little.

It is not yet too late for us to pursue a sensible course in committee, so that the government can carry out the ordinary peace-time procedure of dealing with the estimates for the separate departments one by one. If we do this we shall have the opportunity of discussing the different items in an expeditious and orderly manner, and can release these hard-worked ministers for their other work.

I see in front of me now the Minister of National Defence, the Minister of National Defence for Air, the Minister of Munitions and Supply, the Minister of Pensions and National Health, and other ministers as well. There is no occasion for all these ministers to be here waiting to answer any question that may be asked from any corner of the house on any subject. I do not think we have ever witnessed a greater waste of time in this parliament than has resulted from the failure of the government to adopt the proper procedure for the regulation of this debate.

I make these comments in the very best spirit; I am only expressing now what I have felt for some considerable time. I had intended to get up before but I thought the government might change its way. When the hon. member for Fort William (Mr. McIvor) brought the matter so forcibly to the attention of the committee I felt that the house and the country should know the real reason why there had been some delay in the course of this debate.

Mr. RALSTON: I do not know a more good natured member than my hon. friend the member for Peel (Mr. Graydon). Some comment has been made already in connection with procedure, and I know that my hon. friend and other hon. members opposite are pretty well satisfied with the procedure which was adopted by Sir Robert Borden and his government as a procedure that would be in the interests of the country. I think if my hon. friend will look at the records of *Hansard*—I remember having looked it up some time ago—he will find that exactly the same course was pursued then. The bill was introduced and my hon. friend will find that very few pages of *Hansard* were taken up with a discussion of individual items. The measure was regarded as a war measure for which the government was taking responsibility, and information was elicited rather on the larger matters of policy. There was nothing like—and I believe this is a considerable understatement—the examination in detail which has taken place in this committee. There was no consecutive taking of one department after another. It was a free-for-all in which anybody could ask any question he liked on any matter covered by the appropriation that was being asked.

Mr. HANSON (York-Sunbury): That was early in the war.

Mr. RALSTON: My hon. friend will find that the same course was pursued all the way through. As I explained before, the ministers for the defence services have been making statements, and I do not think those statements were received with particular acceptance by my hon. friends opposite, who rather indicated that they were cut-and-dried statements and that they would prefer to proceed in the other way by question and answer. We determined that if that was the way they wanted it, we would go about it in that way. We have pursued that course. Hon. members will recall that about one week was taken up with a discussion of the aircraft situation particularly, and with regard to matters in connection with munitions and supply. Then one night the Minister of National War Services made a statement on the activities of his department, feeling no doubt as many other hon. members did that the aircraft subject had been pretty well exhausted, the members always having the right to go back to aircraft if they wished. Considerable time was taken up in discussing the work of that department, and then the members on the other side went back to the aircraft industry and discussed that over again, and I remember one or two speeches which rather repeated what had been said on previous occasions.

Then I made a statement on the army and the Department of National Defence. Somebody suggested that it was long. I did not read the statement but I endeavoured to give the house as full information as I could with regard to the whole gamut of expenditures in my department, and I answered questions as fully as I could. Even then we had interjected into that discussion a number of different things which had nothing to do with the army at all but with other projects which might technically at least come within the scope of this resolution. I think even the agricultural policy was touched upon. No one had any objection to that on this side, but it just illustrates what may happen in a democratic assembly where no member is bound by any agreement that one department

shall be taken up after another and no other department discussed until that one is disposed of. That is the way we have proceeded.

The Minister of National Defence for Air then made a statement and we spent considerable time on that, and even yesterday we went back to the army, not because of the minister wishing to do so but to suit the convenience of members of the committee who wanted more information. That information we endeavoured to give in full.

The Minister of National Defence for Naval Services then made his statement, and there was considerable discussion on that. Now we are discussing a small amount which is to be appropriated for air raid precautions.

I do not think, therefore, that anybody is to blame in connection with this matter, except in regard to the amount of detail which seems to be required at this stage in connection with the appropriation which is asked to be voted. Perhaps we might have avoided some discussion of detail, particularly discussion with regard to expenditures, in view of the fact that a special committee is going into the matter of war expenditures. Nevertheless that was the will of the committee. I am perfectly willing to say that nobody is to blame in connection with this matter. It is the perfect right of the committee to have this information before it if they so desire, but I do say that the procedure is at variance with that followed in the last war, particularly as to the wealth of detail required. The procedure which has been adopted by the government in connection with this measure is exactly the procedure which was adopted and followed by Sir Robert Borden and his government during the three or four years of the last war when similar appropriation bills were brought down.

Mr. HANSON (York-Sunbury): The Minister of National Defence I think has made a fair and moderate statement of the position, but there are a few things he might have mentioned, I think, which he did not mention. First of all let me point out to him, and I do so with the utmost good-will, that when the war appropriation resolution was before this committee last year the utmost expedition was afforded to its passage with great goodwill by opposition members. At the same time we coupled with that exhibition of goodwill the statement that when we met again we would ask the government to give us the items of expenditure in some detail. I remember saying that the Canadian people would pay this money willingly but would hold the government accountable as trustees for the manner in which the money was expended.

The policy that was adopted by the government this year was to have the Minister of Finance bring down a very short resolution, and I must express some surprise at the lack of detail there was in his opening statement on the resolution. His statement did not occupy twenty minutes. When you are asking parliament to vote the sum of $1,300,000,000, which later the Minister of Finance increased by $160,000,000, the fullest information and detail must be given. I must confess that to me the amount of the appropriation was staggering. Just how to approach the consideration of this huge appropriation was something that I debated with myself for a considerable length of time. The discussion proceeded and I noticed that we were not getting very far. I am bound to say that the debate on the aircraft industry injected itself very early in the discussion. That was something that was bound to come up. It had to be aired on the floor of this house either at this time or at some other time. So far as I know, it is now pretty well out of the way; there may be repercussions of that branch of the discussion at a later stage, but certainly not now.

Then it dawned upon me that the government did not propose to give us any further information as to how this money was to be expended. I was astounded by the statement of the Minister of Finance that it was our duty to ask for the information and to dig it up. I should not have thought that was the principle upon which information as to government expenditures ought to be given to the public. It certainly is not the principle upon which we proceed in peace time. I admit at once that the two positions are not quite comparable, and that it might not be wise, perhaps would not be possible, to follow out the peace-time method of developing items of expenditure, for this huge war appropriation and for the $700,000,000 which was authorized last year, and the additional amount that was spent. But it was a matter of surprise to me when the Minister of Finance told me it was my duty to dig this out from the government, and that in effect I had been derelict in my duty. Well, I was not conscious of any dereliction of duty. I am just a young fellow trying to get along and to do a job, and I was astonished at the minister's statement, because I believe that trustees must account whether they are asked to account or not. That was the principle which was running through my mind as a lawyer, and when the Minister of Finance intimated that I was not on to my job, that I had not done my duty to the Canadian people, he rather "set me up," if I may use that expression. So this thing has gone along, and it will continue to go

along for a limited period of time. I agree that a good deal of time has been wasted, but I do not feel guilty, myself, and if there was the war pressure on this parliament which there was in June last, this resolution would go through just like that! But there is not.

Mr. MARTIN: It is worse now.

Mr. HANSON (York-Sunbury): Well, that is a matter of opinion. I know that in certain parts of the ministry there is an increasing war effort; I think that that is true of the two or three war ministers. But if they themselves had established an organization such as I think should have been done, and not waited for us to set up an organized debate for them, there would have been no necessity for any more than one of them to be in this chamber at a time. They could have intimated, for example, that "the Minister of National Defence will be here to-day and will not be here to-morrow." There would have been no cavil about that. The whole thing might have been organized on an orderly basis and a lot of time saved. Business would have gone along, we would have got the information we wanted, the resolution would have gone through, and in due course the bill would have been introduced and passed. I do not think it is up to a private member to lecture this house, but I believe the ministry will agree that there was a lack of organization in getting the matter directly before the committee. Perhaps we can all assume some share of responsibility for that. I am willing to take mine; I want the ministry to accept theirs.

Mr. RALSTON: I am sure that I do take responsibility so far as I am concerned, as other ministers do, for the course which was followed.

Mr. HANSON (York-Sunbury): I do not say this in any cavilling manner.

Mr. RALSTON: But the course that was taken was considered.

Mr. HANSON (York-Sunbury): Well, I assume that every piece of government policy has been considered. But may I say this and say it in no spirit of fault-finding, that I believe that there was just a little lack of candour on the part of the ministers when the resolution was introduced. If they had come forward earlier with the information we wanted, instead of deferring it until just before the middle of this month, things would have been much better organized, and possibly by this time the resolution would have been through.

With this statement may I ask the Minister of Munitions and Supply if he would be good enough to give me a statement of what he proposes to do at Saint John under the war vote. I am very much interested in that item. I am glad to see it there. When I had the honour to represent New Brunswick in the government of this country I undertook to do something with respect to the port facilities at Saint John. We had already let a very large contract for the rebuilding of the docks on the west side; they were completed in due course and a very fine job was done. On the east side of the harbour are two old wharves known as the Pettingill wharf and the McLeod wharf. They are old timber structures which have been there for, I suppose, a third of a century. They were not adapted to modern dock facilities, and I undertook to have them rebuilt. The government was defeated; my hon. friend became Minister of Transport, and in the course of his journeys down east he saw for himself the facilities, or rather the lack of facilities on the east side of the harbour of Saint John, without which facilities, I suggest, this great Atlantic port of Canada can never be considered to be a twelve-months port—an ambition of its citizens with which I strongly sympathize. When the minister went down before the war, in company, I understand, with the then sitting member for the city of Saint John, he agreed to rebuild the Pettingill and McLeod wharves, and I was delighted. But the work was not done. I do not know the reason why, whether it was lack of money, or what. Now that the war is on I am glad to see that he has in this appropriation, government-owned enterprises, an item of approximately one million dollars, indicated on page 1630, "National Harbours Board, $995,000": I assume that is for the construction of some new piers at the city of Saint John.

As to the location, I have seen in the press that there are to be additional facilities on the west side. Well, I am not in a position to judge as to the location. I know that the port is overcrowded five months in the year, especially in war time. But I hope that the minister has not forgotten the speech he made to the people of Saint John and his promise to rebuild the Pettingill and McLeod wharves. Maybe this item is to cover that cost, but from what I saw in the newspapers I understand that what is intended is an entirely new venture, to be located on the west side, designed no doubt to take care of the present congestion at that point. I should be glad if the minister would give us a statement of the position, and so far as I am concerned that will be an end of the matter.

Mr. HOWE: Mr. Chairman, perhaps I should touch slightly on the past. As my

hon. friend knows, the building of permanent dock facilities in the port of Saint John is an exceedingly expensive business.

Mr. HANSON (York-Sunbury): Very.

Mr. HOWE: It is difficult and expensive, on account of the great fluctuations in tide. It has been the policy of all governments, I think—

Mr. HANSON (York-Sunbury): I should not like to put it on that ground. I do not think that they will, either. The difficulty is in the contour of the harbour bottom.

Mr. HOWE: Yes, and also the fluctuation in tides makes the dock structure much higher and much more difficult to keep stable. However, it has been the policy of all governments gradually to improve the facilities of the port of Saint John, and this government, as my hon. friend knows, finished some extensive improvements and had got to the point where it intended to rebuild the McLeod and Pettingill wharf. The wharf is useful to-day. It is getting near the end of its life, and it should be rebuilt to give more and better facilities than are now available. As I said, it was the intention of that government to undertake this work. Plans had been prepared, and I am not sure that tenders had not been called, when the war broke out. We were faced then with the difficulty that, while work was under way—and as I remember, it was a two-season job—half the dock would be out of commission, and it seemed obvious to us that we were going to need every foot of dockage we could get during this war; so that, so far as the war effort was concerned, we would be further ahead were we to postpone the rebuilding of that dock until half the wharf could be spared without interfering with the handling of freight in the harbour.

There is a proposal to build additional dockage in that port at the present time. But I might explain that we are not attempting at this time to build permanent facilities; we are trying to provide facilities which can be built in one summer season and put in use for next winter season.

The same policy is being adopted at Halifax as at Saint John; that is for the duration of the war the facilities we shall build will be temporary only, presumably to be replaced with permanent work as time goes by. The present proposal is to build a structure 900 feet long by 60 feet wide with a 30 foot draught on the deep water side and a shallow draught of approximately 12 feet on the south side for the accommodation of cargo lighters. Three standard railway tracks will be laid on the structure. The structure will be located on the west side of the harbour immediately north of the Rodney wharf on the site of proposed berth No. 4. It is also proposed to extend loading facilities at both Halifax and Saint John to meet war emergencies by introducing a system of lighters, so that in addition to loading alongside docks it will be possible to load at anchorages in the harbour.

We expect shortly to call for tenders for a considerable number of lighters and to provide docks so that the loading facilities of both harbours can be supplemented in this way; and provision is being made at this new berth for 900 feet of loading space suitable for loading these lighters. There may be other work proposed for the harbour of Saint John; I may point out that the harbour board is no longer under my jurisdiction, though I am sure that when the estimates of the Department of Transport are up my colleague will be glad to advise about that.

Mr. HANSON (York-Sunbury): My understanding, then, is that this is really only a temporary proposal.

Mr. HOWE: Yes, that is all.

Mr. HANSON (York-Sunbury): Is it intended to build it of cribwork, and will tenders be called?

Mr. HOWE: Yes; I think tenders are being called at the present time.

Mr. HANSON (York-Sunbury): On plans prepared by the harbour commission?

Mr. HOWE: That is right.

Mr. HANSON (York-Sunbury): Well, I am rather disappointed. Of course, they have had the proposal under consideration for quite a while and I would not pretend to put my judgment against that of the members of the harbour commission and their engineers, who have no doubt given intensive study to the situation. It may be that this is the quickest way in which facilities can be obtained for the present nature of the freight being offered there. After all, this is only a stop-gap, and I was wondering whether a larger view could not be taken of the position in the city of Saint John. The building of a wharf of 900 feet, with a 30-foot draught, will of course provide space for good sized freighters. That means 30 feet at low water, I assume, which would mean 56 feet high water, where good sized freighters could lie afloat at all times; and with three lines of railway trackage on it, this work might be very useful in connection with loading the type of freighters that are coming there now. I understand that they are not of such large tonnage that they cannot be accommodated, but I would not frown at all on the system of lighters proposed. That, I think, will relieve pressure to a great degree.

I am rather disappointed, however, to find that this is only a temporary measure after all, and that there is nothing permanent about it. A crib structure at that point of the Rodney wharf, having regard to the nature of the bottom, which is more or less mountainous—it can hardly be so described, but it has sharp declivities, because I have seen pictures of the bottom—may be satisfactory for the time being, if this is all that they are going to do. But it will not meet the permanent situation at all.

The question of crib work as opposed to the other type of construction, cylinder construction, concrete construction was a matter that gave us great concern prior to 1935. We acted on the basis of the best engineering data available, including outside engineering data, and it was concluded that the cylinder type would be much better than a crib work structure. There is a school of thought in the department which believes that the crib work type would be preferable for the city of Saint John. There is always a danger of sliding. I suppose that is present too in the other type but not nearly to so great an extent.

I am glad to know that the work is being provided for but I must express disappointment that it is only temporary.

Mr. HOWE: My hon. friend knows that to build a permanent structure would take not two seasons but probably three.

Mr. HANSON (York-Sunbury): It would take about two years.

Mr. HOWE: Sometimes it runs into the third season, and what we need there is the provision of dock facilities immediately. This autumn all our harbour facilities in the east will be heavily taxed and we are not looking beyond immediate needs.

Mr. QUELCH: There are a few observations which I should like to address to the Minister of Finance at this time. The subject is, in my opinion, of sufficient importance to justify my taking the time of the house.

Mr. ILSLEY: If the hon. member will pardon me, I was getting up just as he rose. He spoke to me last night with reference to a statement I was expected to make before the debate concluded and perhaps it would facilitate the discussion if I made that statement now, because I presume the hon. gentleman will talk about the same subject matter.

On March 11 the hon. member for Macleod (Mr. Hansell), at the conclusion of his speech, said:

> Perhaps it will suffice if I ask the Minister of Finance those two simple questions. First, will he tell the committee and the country by what method this huge debt will be repaid? Second, will he take steps to have the measure sent to the banking and commerce committee for a wide-open, public airing?

[Mr. R. B. Hanson.]

To which I replied:

> A little later in the debate I will answer the first question asked by my hon. friend, which I think is a reasonable one. As to whether I will send or move to have this measure sent to some committee, as at present advised at least, I should not like to agree to do that.

With regard to the first question, presumably the meaning is not, how will individual maturities be met, but rather how will it be possible to meet our maturities without having to borrow the money again to do so. In fact there is no reason to expect difficulty in fulfilling our contracts. The dominion has always met its obligations and certainly will always have sufficient power to meet them in future, either by taxation or by refunding loans. It may be added that the maturity dates of the various dominion loans are arranged in such a way as to prevent any undue concentration of maturities in any particular year.

It need hardly be pointed out that there is no question of having to meet a demand for repayment of all, or most of the debt at any particular time. The debt is not a demand liability. Moreover, the public would not wish to realize upon all its holdings of dominion securities at any one time. The securities representing the debt are held as investments. If they were all to be repaid in cash at once the public would be left holding an enormous balance of idle money, for which no immediate use could be found without causing a tremendous speculative boom.

The real question, therefore, is, how far can we expect our national debt to be reduced out of revenue after the war. Obviously this is not an easy question to answer, since so much depends upon post-war conditions and the policies to be followed by post-war governments. The burden of interest charges upon post-war budgets will naturally make it desirable to reduce the debt as soon as possible, or at least to reduce the interest charges on it by continuing efforts to achieve lower and lower interest rates. On the other hand, heavy taxation for the purpose of debt redemption is apt to be deflationary. There will be periods of prosperity when we can expect to reduce our debts out of our current revenues. Indeed such action would be a sensible way of preventing a runaway boom, rather than attempting to check it by raising interest rates. It would certainly be a defeatist view to assume that we must expect no prosperity after the war. Indeed it is reasonable to anticipate a better international economic order to result from the victory of

our cause. We in Canada should have the industrial capacity and skill to take advantage of the opportunities that such a world will offer.

There is no justification for an abject fear of the problem raised by our increasing national debt. Certainly the interest charges will impose some burden on the budgets after the war, but it will be far from an intolerable burden. It is not, after all, a tribute that we pay to foreigners, but simply a transfer between Canadians. The process of transfer is not pleasant, but it need not be damaging. In fact we are reducing the debt that we owe abroad, to Britain, and are replacing it with internal debt by the process of repatriation.

The important thing, I believe, will be to raise the funds for paying the interest on the debt, or for reducing the debt, by taxation in accordance with ability to pay. I think our pre-war tax system is being improved in that regard, and I hope that we shall have a fairer system of taxation in Canada after the war than we had before it. There is another point we shall have to watch, that is to see that we do not discriminate against enterprises requiring the bold assumption of risks by comparison with others. I think properly designed taxes will enable us to meet our obligations both financial and social, without inhibiting the constructive and venturesome action upon which our economic progress will depend.

Perhaps I should also answer the question that was asked by the hon. member for Témiscouata on Tuesday last, March 18. He asked certain questions on the subject of repatriation of Canadian securities from the United Kingdom.

Before dealing specifically with his questions I should like to remind the committee of the reason for operations of this character. The committee is well aware that the United Kingdom needs tremendous amounts of materials of war and foodstuffs from this country. The United Kingdom has to obtain Canadian dollars with which to pay the suppliers of these materials and foodstuffs. Some Canadian dollars reach the hands of the United Kingdom authorities in payment for the things which we import from the empire, and we also have occasion to pay them quite substantial amounts in the form of interest and dividends, ocean freight charges and other items.

After making allowance for all these things, however, a very large deficit remains. It has been and will continue to be the policy of the government to see that United Kingdom purchases in this country are not hampered by reason of any lack of Canadian dollars. We have seen and will continue to see that the problem of the deficit is solved. The character of the solution may vary from time to time. For the moment, I propose to deal only with the form of procedure which has provided the United Kingdom with over two-thirds of its net requirements of Canadian dollars since the beginning of the war, namely, repatriation of Canadian securities and accumulation of sterling.

I think it will be useful to follow these transactions through step by step. From week to week, as the United Kingdom needs Canadian dollars to make payments in this country, the foreign exchange control board is advised by London what amount is required. Let us assume that the figure named to-day is $10,000,000. In that case the foreign exchange control board will purchase from the United Kingdom authorities approximately £2,250,000. The board then owns these pounds and carries them in its account in London. The United Kingdom owns and has at its disposal $10,000,000 Canadian. As a matter of interest to the committee I may state that since the beginning of this year over $150,000,000 have been placed at the disposal of the United Kingdom in this way.

As time goes on, and the foreign exchange control board continues to accumulate sterling in London, this sterling may be used to purchase our outstanding obligations in London and bring them home. Transactions of this character, which have been carried out since the beginning of the war, have resulted in the redemption of two dominion government sterling loans, namely the 3½ per cent registered stock, 1930/50, and the 4 per cent registered stock, 1940/60, and the purchase of £20,250,000 par value of the Grand Trunk perpetual 4 per cent issue guaranteed by the dominion government. The total amount involved in these particular transactions was $259·3 millions.

I have no idea what the hon. member for Témiscouata was referring to when he said that the question of repatriating the Grand Trunk Railway guaranteed issue was not decided for a long time, and that finally some pressure was brought to bear. There was no pressure, no representations of any kind; the decision was taken by the government without delay at the time when the government thought action would be appropriate.

Some Canadian dollar securities have also been repatriated. I refer particularly to those which were acquired from their owners by the treasury of the United Kingdom last October. A list of the securities affected by the vesting order was, of course, published at the time the order was issued in London, so I shall not refer to the composition of the

list except to say that no securities of the Canadian Pacific Railway were included in it. To the extent that Canadian Pacific Railway company shares or debentures are held in the United Kingdom they remain in the hands of private owners. There has therefore been no change in the situation as a result of the war.

The Canadian dollar securities which I have just mentioned have been sold in Canada through ordinary market channels under the supervision of a representative of the treasury of the United Kingdom, who has worked in close cooperation with the Bank of Canada and the foreign exchange control board.

My hon. friend refers to Sir Edward Peacock and to the mission on which he is engaged in the United States. There has been no suggestion that his mission will be extended to Canada, nor have I any expectation that it will be so extended.

I think that answers the outstanding questions that have been asked in the debate so far.

The minister takes, I think, a very optimistic stand regarding the question of repayment of the war debt. As I look back to confederation I do not think there is any ground for such optimism, for since that time our national debt has steadily increased, in practically every year, with a few exceptions around 1928. If, on the other hand, we include the total debt of Canada, municipal and provincial as well as federal, then we can say that the public debt has increased in every year.

I do not dispute that we shall be able to meet our obligations, but we shall do so largely by refunding, paying only the interest, so the debt will be continually increasing.

I remember before the war the former Minister of Finance told us that it was taking forty-six per cent of the revenue from taxation to pay interest charges alone on the national debt. Where shall we come to if we continue such a policy? The time will come when it will take considerably more than forty-six per cent, unless we are continually going to pare down interest rates.

Mr. ILSLEY: It does not take anything like that percentage now.

Mr. QUELCH: That statement was given to the house by Mr. Dunning. Of course interest rates have been reduced, but at the same time the amount of the debt has increased greatly. Would the minister be prepared to tell the committee that there is no danger of running into a depression after the war? If we do, it is likely to take more than forty-six per cent, even disregarding the fact that our debt is increasing.

We were told that the issue of war savings certificates is twice blessed—that statement was made by Doctor Clark—in that it provides revenue for the government now, and will provide revenue for the investor when the next depression hits us. Already he is looking forward to the next depression. In that regard I would ask, if we are going to have another depression, when we are in that depression and the people need the money they have invested in war savings certificates, where is the government going to obtain that money? Surely increasing taxation in order to pay off those certificates is not going to help us out of a depression. Therefore the only way the government would be able to pay them off would be by an expansion of credit.

Mr. ILSLEY: Does my hon. friend realize how much we are raising by way of taxation at the present time? We are taxing at the rate of about $900,000,000 a year now, and that will be considerably more next year even without any increase in rates.

Mr. QUELCH: Yes, but the minister will admit that after this war the government will not have anything like the revenue it has at the present time.

Mr. ILSLEY: Well, I don't know.

Mr. QUELCH: When the day of peace comes, most of these munitions factories will automatically cease operations, and it will not be any small problem under the present system to find ways and means of putting these industries to work. I will admit that if we changed the system and made our one objective production to satisfy the needs of the Canadian people, and issued money for that purpose, it would not be a major problem; but in the past that has not been the policy of this government. The main policy of this government has been foreign trade; they have been willing to sacrifice anything and everything to expand our trade. We all know how a nation maintains a large favourable balance of trade. That is done by reducing the prices of primary products to levels where they can compete with those of other countries. In other words, you have to reduce our farmer to the level of the lowest paid farmer in the world, making him compete with slave or peasant labour. If I remember rightly, since confederation we have had only about eleven balanced budgets. Not only have we not been able to pay our debts; we have not been able to pay our expenditures out of our current revenue. I am satisfied, as I believe the majority of the people are satisfied—and the statement already quoted from the remarks of the general manager of the bank of Montreal expresses the same fear—that we are heading towards a situation where our total debt charge one day will be greater than our revenue.

I have listened with interest to many of the speeches made during the course of this debate since the introduction of this resolution over a month ago. One of the things that has surprised me has been that, although we are discussing an appropriation bill, practically the entire discussion has centred on how we are going to spend the money, and there has been very little discussion as to how we are going to raise it. Of course I will admit that it is always easier to spend money than to provide it. Many hon. members have deplored the fact that in many industries our production has lagged. A great deal of criticism has been levelled against the aeroplane industry, and I believe the Minister of Munitions and Supply admitted that the production of aeroplanes was three months behind schedule. I was especially interested in the remarks of the hon. member for Northumberland, Ont. (Mr. Fraser) in this regard. He stated:

> To my friends on the other side I say with respect—and with pity—that in the interests of Canada and the British empire it is too bad that we did not year by year, particularly in 1938 and 1939, get sufficient money in our estimates to be in a position to build up an aeroplane industry in this country.

The hon. member for Jasper-Edson already has referred to this statement, but I should like to make a few further observations regarding it. I think the hon. member for Northumberland, Ont., was ill-advised to address that statement to the opposition. I say that because from 1935 to 1939 the Liberal party had an overwhelming majority in this house. They had power to introduce any legislation they desired. I am well aware of the fact that the Prime Minister has tried to place the blame for the failure to build up our defences upon public opinion. He has stated that from 1935 to 1939 public opinion was not such that it would have supported greater expenditures for war purposes. I think the Prime Minister should have followed through on that point. Why was public opinion not prepared to support a greater expenditure for war purposes? For the very simple reason that year after year, from 1935 to 1939, we heard the former Minister of Finance continually tell the house that the only money available to this country was the money the government could tax from the pockets of the people. The former Minister of Labour, the late Mr. Rogers, went even further and stated that if we were to increase expenditures it would be necessary not only to increase taxation but to increase taxation upon people in the lower income brackets. In view of the fact that during the period in question we had in the neighbourhood of a million people on relief, with hundreds of thousands of others enduring a very low standard of living, it seems only natural that they were not willing to have their incomes still further reduced in order to meet increased war expenditures.

It is interesting to note that as soon as war was declared the present Minister of Finance, who was then acting minister, told the house that the government would adopt a policy which would include a moderate monetary expansion. I do not want it to be said that I have misrepresented what the minister stated on that occasion, so I will quote his words:

> All this is not to say that a small and carefully regulated amount of credit expansion may not be desirable in the early stages of the war in order to assist the increase of production and employment.

And again:

> If at the beginning of the war there are unemployed resources, some credit expansion may give an impetus to their prompt utilization. If it is carefully controlled, the expansion of production may prevent any abnormal rise in prices, confidence may be maintained and the initial impetus may be carried on and accelerated by the insistent demand that exists for supplies.

The question I should like to ask the minister, and I think it is a question that should be answered now, is this. If it was sound to have monetary expansion in September of 1939 in order to bring about greater production and greater employment, why would it not have been just as sound in the years from 1935 to 1939? Then some of the unemployed could have been utilized to build up our defences, while the remainder were used to expand the production of consumer goods in order to satisfy the demand created by the money paid out in the defence programme. Many people are asking that question, and I wonder whether the minister would deal with it.

Mr. ILSLEY: I do not think I ever said that monetary expansion of itself would bring about increased production. There are a number of factors that bring about increased production and increased employment. I should be very much surprised if I ever said—

Mr. QUELCH: I quoted the minister's exact words.

Mr. ILSLEY: Just quote them again and let us see what they were.

Mr. QUELCH: The minister had been criticizing the idea of inflation, and then he went on to say:

> All this is not to say that a small and carefully regulated amount of credit expansion may not be desirable in the early stages of the war in order to assist the increase of production and employment. . . . If at the beginning of the war there are unemployed resources, some credit expansion may give an impetus to their prompt utilization. If it is carefully controlled, the expansion of production may prevent any

abnormal rise in prices, confidence may be maintained and the initial impetus may be carried on and accelerated by the insistent demand that exists for supplies.

Mr. ILSLEY: Oh, well, that is different from bringing about increased employment or production by that one thing alone. In the early stages of a war there will be, for a number of reasons, increased production and increased employment. For one thing, the psychological state of the people is altogether different, and I said in that speech that some monetary expansion might be necessary to assist in the increase that was taking place, so as perhaps to give an additional impetus.

That, however, is quite different from saying that that one factor, monetary expansion, would in a period like 1936, 1937, or 1938, have brought the same results. As a matter of fact, it might not have brought those results at all. It might simply have scared capital at that time, so that you would lose more in unemployment than you would gain by increasing employment.

I believe we are facing the old issue which has existed for a long time, namely, as to whether monetary measures alone can bring about prosperity or increased employment. I do not think they can. I do not believe the Cooperative Commonwealth Federation think so. I believe that is a theory held by a comparatively small group of people in the world, some of whom are monetary reformers. They hold the view that everything depends on the amount of money. That is not so.

Mr. QUELCH: I am not suggesting that various precautions and other means would not have to be taken. I am pointing out that it does not matter what you do, in a time of depression you cannot improve conditions until first of all you have monetary expansion. In September, the minister admitted that it would be desirable to have monetary expansion. Why? The minister realized that if they tried to borrow money from the people they would be drawing money out of circulation, and reducing production. Therefore, first of all they hire—and I use the word advisedly—the chartered banks to create $200,000,000. I remember well the statement made at that time by the Minister of Finance. He said, "When this money is paid out it will increase the savings of the people, and then we will be able to borrow those savings." But the minister realized that the government would not be able to borrow savings from the people until it had created those savings by an expansion of money. In other words, the expansion must come first.

The minister has said he cannot see the similarity between the condition in September and the condition between 1935 and 1939. I will give the similarity. During that time industry was running at about 50 per cent of its capacity. We had in the neighbourhood of half a million unemployed. We had, in the form of a million people on relief, a tremendous undeveloped market for goods. The logical question, then, is this: Why did we not put people to work in industry to produce goods to satisfy that market? Why did industry not expand? I have heard the criticism of industry that it did not have sufficient confidence to expand during that time. To me the reason is obvious; industry at that time could not sell the products it was already producing. It knew well that if it expanded production it would have a still greater unsold surplus of goods.

I say to the minister that if during that period of time we had had monetary expansion for the purpose of putting a certain proportion of the unemployed to work in capital goods industries—such as armaments, road building, the elimination of railway crossings, and so on—and had we utilized the remainder of the unemployed for the purpose of expanding production of consumer goods, then those goods would have been available to satisfy demands which would have been created by payment of moneys to those people working in capital goods industries. I am satisfied that industry in Canada will always be ready to increase production, when it knows that it is going to be able to sell what it produces. The trouble between 1935 and 1939 was that it could not sell what it produced. During that time we had a favourable balance of trade amounting to about $200,000,000 annually. In the committee I asked the governor of the Bank of Canada this question: During that period why could we not have put into operation $200,000,000 worth of national projects, so that the money paid out in these projects would have created in this country a demand for the $200,000,000 worth of goods that were credited to us abroad? He did not deny that this could be done, but said that it was purely a matter of government policy.

I remember that in 1935 in his pre-election speeches the Prime Minister (Mr. Mackenzie King) stated that if the Liberal party were elected, a great battle would be engaged in between the government and the money powers. I make this charge: Had the government engaged in that battle with the money powers, and had the governments of Great Britain and of France engaged in that great battle, the history of Dunkirk as we have it to-day would not have been written. Because of the deflationary policy which existed throughout those years, defences were allowed to deteriorate.

I want to refer now to a statement placed on record by the minister in his reply to a question I asked on February 20. According to that statement we have borrowed from the chartered banks in the neighbourhood of half a billion dollars. The minister will agree that, other things being equal, deposits would have increased by a like amount. As a matter of fact, it is admitted in the statement that in so far as the $250,000,000 that was borrowed in the spring of 1941 is concerned, deposits would have increased by that amount, other things being equal. That is to say, when we borrowed the money from the chartered banks, they lent us that money by creating the means of payment. I do not believe the minister would disagree with that statement. It is true that for years prominent officials of various banking institutions in this country have carried on the delusion or the hoax that they are in a position to lend only their depositors' money. We have heard members in this chamber say that banks are able to lend only their depositors' money. I do not doubt that many hon. members are still in that fog, or confused state of mind.

In any event, it was refreshing in 1939 to have a statement by the deputy governor of the Bank of Canada to the effect that it was nonsense to suggest that chartered banks could lend their deposits, because it was pointed out that deposits are liabilities, and that it would be impossible to lend their liabilities. Then, again, when giving evidence before the committee on banking and commerce in 1939, the governor of the Bank of Canada said, as reported at page 455 of the proceedings, that the chartered banks cannot, of course, loan the money of their depositors. He also admitted that they lend by creating the means of payment. Hon. members may verify this, if they wish, by turning to the evidence of the banking and commerce committee of 1939, page 456, where it was pointed out that the banks lend by the simple procedure of creating the means of payment.

The main question in connection with which I am particularly interested in receiving an answer from the minister is this—and I want to put it accurately. When we have obtained from the people all the money we consider it wise to take, whether by taxation or by the sale of war savings certificates, and when we deem it necessary to indulge in a form of inflationary borrowing, why do we not obtain the money from our own bank, the Bank of Canada, instead of from the chartered banks, who will merely create the amounts of payment?

Mr. ILSLEY: That would be far more inflationary.

Mr. QUELCH: Why?

Mr. HANSON (York-Sunbury): It would be pure inflation.

Mr. ILSLEY: It would be far more inflationary to borrow from the Bank of Canada than it would be to borrow from the chartered banks.

Mr. QUELCH: Why?

Mr. ILSLEY: Because, if we borrow from the chartered banks, the amount of new money, or the additional deposit liability, is the amount that we borrow. For instance, if we borrow $250,000,000 from the chartered banks, there are deposits immediately in existence, after the loan, of $250,000,000 more than there was before. That is inflationary, to a certain extent, other things being equal. If we borrow from the Bank of Canada, the result of a loan of $250,000,000 from that bank is a deposit in the Bank of Canada of $250,000,000 which, when we use it, finds itself in the possession of the chartered banks, as cash reserves.

The banks, in order to carry on a banking business along the lines commercial banks have always followed the world over, must lend a good deal more than $250,000,000 to the public. The ratio is nine or ten times as much as that, and that in turn creates deposit liabilities, which add to the total deposits of the country a very large sum and are very much more inflationary in their effect than borrowing from the banks would be. This could be nullified or offset if we were to raise the reserve ratio. The legal reserve ratio at the present time, as the hon. gentleman knows, is 5 per cent. If we were to make it 100 per cent, we would have no more inflationary effect if we borrowed from the Bank of Canada than if we borrowed from the banks, because when that $250,000,000 found itself in the commercial banks as cash reserves, the banks could not lend a thing on it. There would be a deposit liability of $250,000,000 and a reserve of $250,000,000.

There is, however, a certain cost for carrying deposits. In addition to the cost of carrying on the banks, there is the interest which the banks must pay on their savings bank deposits. When the money comes back to the banks in the form of savings bank deposits, the banks have to pay one and a half per cent interest on it. It is estimated that nearly one per cent is paid in interest. Therefore, to create a 100 per cent reserve ratio which would nullify or equalize the inflationary effect in the way I have mentioned, would mean that you would, in effect, be asking the banks to carry on at a substantial loss in respect of that transaction.

In other words, it would be a tax on the banks which would be passed on either to the depositors of the banks or the shareholders of the banks, or passed on in some other way. If, as a matter of policy, we decided to lay that additional tax on the banks, we could borrow from the Bank of Canada instead of from the commercial banks and have exactly the same effect. Unless, however, we take some steps like that, if we merely change that feature of the present system which is the only feature which the hon. member is talking about now, we would be setting in motion forces which would have a powerful inflationary effect.

Mr. QUELCH: I appreciate that answer of the minister. It is similar to the answer given by his predecessor, Mr. Dunning. The minister is aware of the fact that many prominent bankers of the United States have advocated the adoption of what is known as the 100 per cent system. That is the policy which the minister has just mentioned. If he has read "One Hundred Per Cent Money" by Irving Fisher, he will have seen there a long list of prominent bankers of the United States who advocated that this system should be put into operation. Therefore, evidently they did not visualize being put out of operation by its adoption. Furthermore, it is advocated strongly by Robert Hemphil, former credit manager of the federal reserve bank at Atlanta, and more recently by Babson's Incorporated in their letter of March 20, 1939, where they point out that the banks would still continue to make a fair profit. They also point out that you would have to differentiate between current accounts and savings. At the present time a depositor is supposed to give notice before he can draw out his money from a savings account; but, as a matter of fact, savings accounts are treated the same as current accounts in that respect. As Babsons, however, point out, you would have to have the savings banks deposits withdrawable on notice only.

Mr. ILSLEY: If the hon. member will permit a question, while I do not think this is really the occasion for a protracted debate on monetary policy, may I ask if he is advocating the adoption of the 100 per cent system, plus borrowing from the Bank of Canada instead of from the commercial banks? Does he advocate that as the financial policy of the government?

Mr. QUELCH: No; but I would say that the 100 per cent system would meet the objection which the minister has raised. I would advocate the 100 per cent system so far as current accounts are concerned, but not as regards savings accounts, which should be treated the same as any other investment. Money in savings accounts should be treated as an investment and as the property of the bank. I would apply it as Irving Fisher and Babson's advocate, and use it only in so far as current accounts are concerned. The banks would still have their savings accounts to lend from, if they need more money to put into circulation they can borrow money from the Bank of Canada at a nominal sum and then lend it at a higher rate. They would, however, be in a position to expand their loans only provided the Bank of Canada gave them authority. Unless they got the money from the Bank of Canada they would not be able to expand their loans. In that way the government would have effective control over the volume of money in circulation.

You do not, however, have to go as far as the 100 per cent system. Increase the cash reserve requirements of the chartered banks to the extent necessary to prevent an expansion of loans. If they were at the time operating on a ten to one basis, for example, you could increase the cash reserve requirements of the banks to the extent necessary to prevent them from expanding their loans on the basis of their increased cash reserves.

Mr. ILSLEY: Would you be any further ahead?

Mr. QUELCH: If I remember rightly—and I am speaking more now from hearsay—the government of the United States of America in 1937 increased the cash reserve requirements of their banks to 20 per cent. The cash reserve requirements of the banks in Canada could be increased to 12 or 15 per cent or to whatever degree was necessary to prevent the chartered banks from taking advantage of that new issue of money further to increase their loans.

Some people may argue that it would not be fair to the chartered banks, that it would seriously decrease their profits if we took such action. On the other hand, when one considers the profits of the chartered banks for the past ten years, I think it will be agreed that they are in a position where they can readily stand a reduction in their profits. I have figures taken from the "Canada Year Book" showing the profits of the various chartered banks over the past ten years, and I find that on their paid-up capital the profits are as follows for the ten-year period:

	Per cent
Bank of Montreal	9·35
Bank of Nova Scotia	13·15
Bank of Toronto	10·6
Dominion bank	10·6
Imperial bank	10·6
Royal bank	9·35

That is the profit on their paid-up capital, and that ten-year period includes one of the worst depressions this country has ever known. No one can say that a business which is making 10 per cent profit over a period that includes the worst depression ever known is not doing very well indeed. In addition, they have built up their reserves and built up a number of fine capital structures; they also have their hidden reserves. I think the position of the banks so far as their profits are concerned is a very satisfactory one, and that their profits are greater than necessary, especially when one considers that they were made over the period of the depression. If one takes the period just prior to that ten-year period, they were then making as high as 14 to 16 per cent. It was the depression that brought their profits down to approximately 10 per cent. I have not seen the figures for 1940, but I have no doubt the profits of the banks are now increasing. The *Financial Post* stated that their assets were increasing, although their liabilities might be increasing in the same proportion.

Mr. ILSLEY: I wonder whether the hon. member would care to express an opinion on this point. Was it not a good thing for the country that the profits which the chartered banks were receiving in the decade of the twenties were sufficient to enable them to accumulate reserves which kept them solvent in the early thirties and prevented bank failures in this country such as they had in the United States? In other words, is it not a matter of considerable importance to the public that the banks should at all times be solvent?

Mr. QUELCH: I quite agree, but the minister will admit that under the 100 per cent system the banks would be in a safe position because they would have one dollar of cash behind every dollar of their deposits. A run on the banks would be absolutely impossible. That is why so many bankers support the idea of the 100 per cent system in the United States. They got such a cleaning up through what happened in years gone by, that no doubt it would relieve their anxiety if there were no danger of a run. Under those circumstances they could very well suffer a decrease of profits. There would be under this system no danger of insolvency, because any time the banks needed money for this purpose they could obtain it from the Bank of Canada. That bank would have absolute control.

What happens at the present time? The Bank of Canada issues a certain amount of money, or the government through the Bank of Canada issues a certain amount of money, and they do not know what the result will be. The banks may expand it by ten times, or they may not. There is no direct control under this system.

I have heard this argument advanced against the proposal, that in view of the fact that people bought shares in the chartered banks in good faith, in the belief that the same system would be maintained in operation and that, therefore, they could expect to continue to draw the same profits, it would not be fair to the shareholders of the chartered banks to change the system to one whereby those profits would be reduced. That may be a fair argument. In that event, however, the only thing would be for the government to undertake to buy up the shares of the chartered banks and then there would be a government-owned system. I am very much in favour of buying up the shares of the chartered banks and having a publicly-owned banking system, because I do not believe it is a desirable state of affairs to have any body of private persons in a position where they can increase or decrease the amount of money in circulation. When you are in a position to do that you are also in a position to raise or lower prices.

Mr. ILSLEY: Does the hon. gentleman think it would be a desirable state of affairs to have the government of Canada making all the commercial loans required by the people of Canada?

Mr. QUELCH: Certainly not. I regard that as the business of the chartered banks. I believe, however, it is the business of the Bank of Canada to act as the nation's bank, and our expenditures should be financed through the Bank of Canada without borrowing a single dollar.

Mr. ILSLEY: I thought my hon. friend said he was in favour of the Bank of Canada buying up the shares of the chartered banks.

Mr. QUELCH: I am in favour of the government buying up the shares of the chartered banks, but the people who manage them would continue to do so as now. The chartered banks would be under the control of the Bank of Canada and would be making commercial loans.

Mr. ILSLEY: That is, the government would be in the banking business.

Mr. QUELCH: Not any more than one can say that the government is in the wheat board or in the post office. The board of the Bank of Canada would be looking after the whole banking system. I know some people claim that every time an election took place, the bank management would change. I hope we are not quite so rotten as that. I know that sort of thing may happen in connection

with some post office appointments, but I will frankly admit that in so far as western Canada or Alberta is concerned, I have not noticed it, and I hope it will never occur. It is certainly not a nice charge to make against any government that it finds it necessary to change all the postmasters every time there is an election; and I hope it would be possible to leave the administration of the banks entirely under the control of the Bank of Canada.

Mr. HOMUTH: But the government of Canada would then be making the commercial loans.

Mr. HANSON (York-Sunbury): We would be right in the business.

Mr. QUELCH: I see the hon. gentleman's point in that regard, that in view of the fact that the chartered banks would then be publicly owned, the loans would be made by an institution of the people. But the people of Canada would be handling their own business, because that institution would be directly under the control of the government—although I admit that in these days we have not very much control of the government. Unfortunately, there are, outside of government, forces which largely control us at the present time.

An hon. MEMBER: What about the government of Alberta?

Mr. QUELCH: If this government will give Alberta the power to have a bank, I think that province will indicate many advantageous ways in which that bank could be utilized. It seems a pretty hard thing for Alberta to get a bank. I believe the dominion government would be well advised to allow our province to have that charter, and let us see what we can do.

Mr. MacNICOL: Conditions are bad enough now, without it.

Mr. QUELCH: I will now deal with a slightly different angle of this subject, the pay-as-you-go policy. The minister, in a statement in September, 1939, frequently repeated that he believed in adopting as far as possible a pay-as-you-go policy. The minister will admit, I think, that if we maintain production at its maximum level, utilizing a certain portion of the production for war purposes, the standard of living of the people cannot be higher than the portion that is left of the production.

No matter how the war is financed, the standard of living of the people cannot be higher than that portion of the production which is left after the rest has been utilized for war purposes. Therefore, if we utilize taxation alone for the purpose of reducing the people's spending power and make up the remainder of the required revenue, from the Bank of Canada, the standard of living of the people will be no lower than if we financed by the issue of bonds to the public. It could not possibly make any difference. On the other hand, however, there would be this vast difference, that a real pay-as-you-go policy would have been adopted and there would be no increase in debt. That would make a very great difference in the standards of living of the people after the war. We would not have to increase taxation to pay interest.

The Minister of Finance, however, has contended that people should be allowed to put aside a little for a rainy day. He stressed that point in his budget speech in September. I agree with that; and for that reason we are not opposed to the sale of war savings certificates, but we believe that the amount each individual is allowed to purchase should be definitely restricted. It is now restricted, I understand, to $600, but in the case of a family of five or six people, that family is allowed, in my opinion, to put aside too much for a rainy day; in that instance, it is $3,000 or $4,000. That people should be allowed to put aside a little for a rainy day does not justify the sale of large amounts of bonds to the public. In my judgment we shall have a lot of days of drought, rather than rain. I do not like that expression "rainy day"; "drought" would be a more accurate term, so long as we carry on the policy which has been in operation since the present government came into power in 1935.

Mr. MARTIN: Is the hon. member opposed to all savings?

Mr. QUELCH: I am not opposed to anybody putting aside a certain sum for a rainy day. I am, however, opposed to this government saying that in order to provide a person with an investment, they are going to put the people into debt, because just so long as the government adopt that policy, the consequence is that a large amount of bonds are sold to a comparatively few individuals. A national debt is being formed, which the governor of the Bank of Canada says is a national asset; but remember that it is the asset of only a comparatively few people, and it is a liability of all the people. Therefore the government must make a levy against all the people in order to pay tribute to a comparatively few people.

Let people save and invest their money in industry. Why should this government be

obliged to provide an investment for them? By all means save, but do not penalize the rest of the people when you are doing it.

Let us at all times remember, especially in view of the conditions which are existing in Europe to-day, that war is a scourge.

Mr. MARTIN: Are we not saying this with regard to the war savings certificates? First of all, they are not restricted to any particular group; there is a wider diffusion than in the case of bonds. We are also saying, "You save this money so that at a future date production may be enhanced as a result of this investment; but we now want a curtailment of production, or rather, to confine production to certain very necessary channels for war purposes."

Mr. QUELCH: I would ask the hon. member how production in the future can be enhanced by issuing a lot of war savings certificates now; because when you get in a depression, the only way by which you can pay off the certificates under the present government's policy is by taxation, and that would increase the depression. You would require to have monetary expansion, and if you are going to have that, you might as well have it now; now is the time we need it.

I have pointed out to the hon. member that I am not opposed to the issue of war savings certificates so long as it is understood that the object is to reduce the spending power of the people, not to provide revenue for the government. I remember Professor Plumptre made that plain. He stresses the point that war savings certificates are needed, not to provide revenue, but merely to prevent spending.

Let us remember that war is a scourge and not a carnival, and no one should hope or desire to profit materially as a result of war. I am sure the minister would agree with that. When we bear in mind the terrible sacrifices that are being made in England and Europe at present, not merely from day to day, from week to week, but from month to month, year in and year out, then I think we are all agreed that no one should hope to profit in any shape or form as a result of such suffering. Recognizing that fact, if people can go through this war in a state of comparative safety, enjoying a decent standard of living and being no worse off at the end than they were at the start, then I say they should consider themselves exceedingly fortunate. I am sure the government will agree with that.

When I read and listen over the air to statements urging people to be patriotic by investing their money in gilt-edged securities, that is, dominion bonds at 3 per cent; when I see that type of profitable investment eulogized as patriotism, I feel positively nauseated to think we should be guilty of such rank hypocrisy in this country. Let us keep in mind, Mr. Chairman, that, apart from external loans, the real cost of war must be met out of current production. The Mniister of Finance emphasized that time and again when speaking in this house in September. I wonder whether he realized what his statement really meant at that time, because I do not think he would suggest for a moment that we are even trying to adopt a pay-as-you-go policy to-day. Let me read what he said—because it is so easy for someone to rise in his place and say that I am misrepresenting a certain person.

The CHAIRMAN: I am sorry, but I must remind the hon. gentleman that he has already exceeded his time.

Mr. QUELCH: I have had a large number of interruptions.

An hon. MEMBER: Let him go on.

The CHAIRMAN: Shall the resolution carry?

Some hon. MEMBERS: No.

Mr. QUELCH: May I continue?

The CHAIRMAN: Not unless the hon. gentleman has the unanimous consent of the committee.

Mr. QUELCH: I will not take long. I want to refer to one or two statements made by the Minister of Finance on September 12, 1939, regarding a pay-as-you-go policy. He said:

> . . . . as I have already said, the real costs of war must come out of current production, out of the goods and services produced during the war. It is true that some stocks of military supplies may be on hand at the beginning of a war, but their importance is slight for a war of any duration . . . .
>
> First of all let me emphasize that however we finance the cost of the war, whether by taxation or by borrowing or by inflation, we cannot escape its real costs. By the real costs I mean the goods and services which have to be sacrificed out of our current production to meet the needs of war.
>
> . . . . and I repeat it again, that in real terms, namely, in terms of the loss to the nation of this production, a war is paid for substantially during its duration.

I am afraid that the minister at that time was indulging in wishful thinking.

Mr. ILSLEY: I was stating a fact; I was not announcing a policy.

Mr. QUELCH: The minister admitted that the real cost of war was substantially paid for during the war. If that is so, why cannot its financial cost also be met during the war? I will put it to him in this way. We must

admit that while we are prepared to pay the real cost of the war, in so far as goods are concerned, we are not prepared to pay the financial cost; that is to say, a certain class of society is not prepared to make the sacrifice which is necessary in order that such a policy may be adopted. If they were, there would be no increase in debt apart from that resulting from the sale of war savings certificates. What we are really saying is this, that while we are providing the goods to prosecute this war, we are going to demand that future generations shall compensate us for a large proportion of this production. And remember that by far the greatest proportion of that compensation will be paid to a comparatively few people.

I cannot understand how anyone can say that that is an honest policy; for what is the government really doing? It is misappropriating the funds of future generations. Some people may attempt to justify such a policy on the ground that we are fighting a war to make the world safe for democracy for future generations, and that, therefore, future generations should be prepared to pay a certain proportion of the cost of the war. I heard the same sort of statement made time and again from 1914 to 1918. I heard it said that we were fighting to make the world safe for democracy, that we were fighting the war that would end war; yet here we are to-day, twenty-five years later, engaged in one of the greatest wars the world has ever known.

No; I do not think we have any right to ask future generations to sacrifice themselves for the troubles that we are facing to-day, because I believe that future generations will have plenty of troubles of their own without having to look after ours, as we are having to take care of troubles that were incurred hundreds of years ago. Britain is still paying interest in connection with the Crimean war, and in connection with every major war fought in the last hundred years or so. It is high time we started a real pay-as-you-go policy, because it would not entail a reduction in the standard of living of the people to a level lower than that due to the present policy of the government; whereas the difference that would be brought about would be this, that people would not have as a result of the war, at the end of the war, large accumulations of bonds representing nothing more or less than war profiteering. I say again, therefore, that there is no justification for the attempt to pass on any large proportion of the financial cost of the war to future generations.

I do not suppose it will do any good to ask the Minister of Finance again to consider this question. I appreciate the fact that he has been quite frank in answering a number of questions, but before sitting down I should like to put to him a few more very short questions, which I think he can answer easily without deep consideration. Can he explain why rates of interest on money borrowed from the chartered banks vary? Why does the interest rate on money borrowed from the chartered banks since the declaration of war vary as it does? In one instance, it is two per cent; in another, one and a half per cent.

Mr. ILSLEY: Money is borrowed for different period.

Mr. QUELCH: Can the minister explain why the length of time for which money is borrowed, is reflected in a difference in the rate of interest? Is it from fear that interest rates may go up in the meantime?

Mr. ILSLEY: I am not sure I can give a complete answer to that question, but it is well known that the interest rate which is proper for one period is not proper for another. A certain rate prevails for long term loans, a certain rate for short term loans; and for very short term loans, such as treasury bills, the rate is almost negligible. The rates are fairly well graded between those points. That applies to loans generally.

Mr. QUELCH: I can quite understand that as far as it relates to the borrowing of actual money; but in this case, as far as the chartered banks are concerned, it is merely a question of bookkeeping. I cannot see why we should pay any more for bookkeeping for a long period than for a short period. Hon. members may laugh, but it is acknowledged by the governor of the Bank of Canada and all responsible officials that the chartered banks make their loans by creating the means of payment. I ask, why should we pay 2 per cent interest in one case and 1½ per cent in another? I can understand that borrowing money from an individual is a different matter, but this is merely a question of hiring the banks to create money for the government. There is a big difference between the two.

Mr. ILSLEY: The hon. gentleman is opening up rather theoretical questions here.

Mr. QUELCH: No; the governor of the Bank of Canada has admitted that the banks loan by creating the means of payment.

Mr. ILSLEY: I do not know that I would undertake to answer these questions impromptu. It is rather like writing a book, or an essay, to deal with such matters. The hon. gentleman, I suppose, has spent a good deal of time in working out these questions and he asks them of me in the committee and

wants an immediate answer. Perhaps I have not given so much thought to the theoretical foundation of the variation in the rates of interest depending on the length of time the money is borrowed, but I do not think there is anything in the point that the hon. gentleman has just made, that it is merely a book-keeping transaction as compared with an individual going to borrow money from a bank.

Mr. QUELCH: That is true; when an individual borrows money from a chartered bank, it creates the means of payment.

Mr. HANSON (York-Sunbury): What is that?

Mr. QUELCH: Surely the leader of the opposition is not going to dispute the fact that when an individual borrows money from a chartered bank, it creates the means of payment.

Mr. HANSON (York-Sunbury): It all depends on whether the individual takes the money away in his pocket or puts it back in the bank.

The CHAIRMAN: Order. The hon. gentleman had the consent of the committee for a few minutes more, but unless he now gets further consent, his time is up.

Mr. QUELCH: On a point of order, I have finished the speech I was making and I am now asking questions. I understand that in committee one may ask questions as long as he likes.

Mr. HANSON (Skeena): On the point of order, we have discussed this resolution for three or four weeks—

An hon. MEMBER: Not this angle of it.

Mr. HANSON (Skeena): In the United States they took five days to pass an appropriation of seven billion dollars. And they are not in the war. At the rate we are going the war might be over before this resolution is passed.

The CHAIRMAN: My ruling is that the hon. gentleman's time is exhausted.

Mr. DOUGLAS (Weyburn): I should like to ask a question of the Minister of Finance. What happens to these repatriated securities? I understood him to say that the government securities and the Grand Trunk obligations were held by the Bank of Canada. What happens to the unspecified securities? Does the government sell them on the market, or hold them?

Mr. ILSLEY: Nothing has been repatriated by the government except government bonds or government-guaranteed railway bonds, and they have not been put on the market.

Mr. DOUGLAS (Weyburn): There have been no other bonds repatriated?

Mr. ILSLEY: Not by the government. As I said in my statement, some other securities have been repatriated, but in a different way. They have been sold on the Canadian market to private buyers by the United Kingdom government, which has taken them over from the United Kingdom holders.

Mr. DOUGLAS (Weyburn): But the repatriation activities under this appropriation are confined entirely to repatriating government securities and the Grand Trunk guaranteed bonds, all of which are held by the Bank of Canada; is that correct?

Mr. ILSLEY: To date that is the situation.

Mr. DOUGLAS (Weyburn): If there should be any repatriation of private securities, some disposal will have to be made of them, and we shall be told then how they are disposed of?

Mr. HANSON (York-Sunbury): The government policy of repatriation is based on accumulating sterling on the other side? Or what is the policy?

Mr. ILSLEY: We accumulate sterling and then repatriate as much as we can. I am not sure that I understand the hon. gentleman's question. We are trying to supply the United Kingdom with dollars. We can go on and accumulate sterling if we can afford it. Then we might have a huge accumulation of sterling, and residents of the United Kingdom would still have their securities. That would perhaps leave us in a not too desirable position at some time. It would depend on developments. It has been considered that we should try to keep our accumulations of sterling within hailing distance of these repatriations.

Mr. HANSON (York-Sunbury): What is the policy with respect to the accumulation of dollars for the United Kingdom? How has that been done?

Mr. ILSLEY: We just buy the sterling, that is all. We get the sterling and they get the dollars.

Mr. QUELCH: It has been suggested that it makes a big difference whether a person goes to a bank and gets notes or gets a deposit. Why does a person borrow money? Can one imagine anyone going to a bank and borrowing money at interest to keep it in his pocket? He borrows it to pay for something and it comes back into the bank.

There is another question that I want to ask the minister. Would he explain certain issues sold to the Bank of Canada? I notice

in one statement it shows that $250,000,000 was borrowed for the purpose of purchasing gold. Then another item of $40,000,000 was, I think, for the purpose of refunding. Could the minister explain what the issues of $75,000,000 and $24,040,000 were used for? In other words, were they used for refunding or for the purpose of meeting current expenditure? The statement is on page 904 of *Hansard*.

I might say that the reason why it was suggested by the hon. member for Macleod that this measure be sent to the banking and commerce committee was in order that we might ask these questions. The only way we have to get this information is by asking questions of the minister in this committee. Had this measure been sent to the banking and commerce committee, these questions would have been asked there, without taking the time here. Surely the government should desire that there be a thorough understanding of this procedure, and I guarantee that there are not more than a few hon. members who can explain how this money is going to be raised this year.

Mr. ILSLEY: What is the question?

Mr. QUELCH: The question is, What were the issues of $75,000,000 and $24,040,000 for? I understand that the $250,000,000 issue was for purchasing gold, and that the $40,000,000 issue was for refunding. Was any of that money shown in the statement at the top of page 904 utilized to meet current expenditure? I wish to find out whether that money got into circulation, and how.

Mr. ILSLEY: Those two amounts have asterisks opposite them, and the note says:

> These issues purchased by Bank of Canada in order to provide funds for the foreign exchange control board to purchase gold and foreign exchange from the Bank of Canada in the amount of $253,507,331 and from others under the foreign exchange acquisition order, 1940.

My recollection is that under that order the foreign exchange control board took over foreign securities held by Canadian residents. This money was, I presume, used to pay for them.

Mr. QUELCH: Was the $24,000,000 for the same purpose?

Mr. ILSLEY: No. The $250,000,000 was for that purpose, and for the purpose of purchasing the gold and foreign exchange held by the Bank of Canada. The $24,000,000 apparently was not for that purpose. That is an issue of June 1, 1940, running to March 1, 1945, for $24,040,000. At the moment I cannot say whether that was allocated to any specific purpose.

Mr. QUELCH: Up to the present time the government have not used the Bank of Canada for the purpose of obtaining money to meet current expenditures, apart from refunding and the purchase of gold? That is really what I wish to know.

Mr. ILSLEY: No.

Mr. QUELCH: There is only one other question I should like to ask the minister. How is it proposed to raise this amount of $1,300,000,000? Could the minister give any information in that connection? I do not expect a detailed analysis.

Mr. ILSLEY: On that point, Mr. Chairman, I took exception when the request was made the other night. I think it was first made by the leader of the opposition, who felt that during this debate I should tell the committee how the government proposed to raise this money.

Mr. HANSON (York-Sunbury): That is hardly a fair statement. I asked how much was to be raised by taxation and how much by loan. I expressly excepted the ways and means of getting the money; I thought that would be improper at this stage, but I wanted to know if the minister could tell me what was what as to the other point.

Mr. ILSLEY: That is correct; the leader of the opposition asked how much would be raised by taxation and how much by borrowing. That question cannot be answered, because the total requirements of the government will be considerably more than $1,300,000,000. The only way in which the question can be answered is to take the total requirements of the government for the next fiscal year. For the sake of argument—I may be away out in this—let us say that the total requirements are $2,500,000,000. Then it would be necessary to say how much of that would be raised by borrowing and how much by taxation. But that would be a budgetary statement; that is exactly the statement the Minister of Finance makes when he brings down his budget. He tells the house and the country how much money he will require during the coming fiscal year, and he tells how he proposes to raise it. You cannot take any part of that—in this instance, on the figures I have mentioned for the sake of argument, it would be about half of it—and say that any particular part of that is to be raised by borrowing and any particular part is to be raised by taxation.

For example, suppose I were to say that of this $1,300,000,000 we propose to raise $900,000,000 by taxation. We are taxing now at the rate of about $900,000,000 a year, and at present rates the amount recovered through

taxation during the next fiscal year, even if there are no changes at all, will be substantially more than that. Let us say, however, that I were to state now, "We are going to allocate the taxes to this $1,300,000,000," leaving $400,000,000 to be borrowed. That would be a thoroughly futile reply; it would not mean a thing. Nothing would mean anything unless we took the total requirements and stated how they were going to be raised; and I must say again that this is not the time or the place to do that. It is in the budget itself that this should be done.

Mr. QUELCH: I was not trying to find out about taxation, because this resolution has nothing to do with taxation. It states that the governor in council shall be empowered to raise money by way of loan. What I want to find out is whether the minister can give us any indication of how that loan will be raised. How great a percentage does he expect to obtain through the sale of war savings certificates; how much by monetary expansion; how much by loans from the chartered banks, and how much from the sale of bonds; and does he expect to obtain any by the sale of bonds to the Bank of Canada?

Mr. ILSLEY: In the first place the hon. member says "that amount." I do not know that "that amount" will be borrowed at all; that is, the $1,300,000,000, so we cannot get past that first hurdle. I shall have to give the house that information when the budget comes down. We have never held that back. I and my predecessors have come before the house and said how much money it was expected the government would require during the next fiscal year or the current fiscal year, as the case might be; and in our budgetary and financial statements, when dealing with the whole field, we have been very particular to give the house a full statement as to the manner in which we expected to obtain the money. That I will do at the proper time.

Mr. QUELCH: Could the minister give the committee the assurance at this time that there will not be any increase in interest rates during the war?

Some hon. MEMBERS: Oh, oh.

Mr. QUELCH: Someone laughs, but it is not a laughing matter. Through the Bank of Canada we have power to control these interest rates. We have the power to force interest rates down. If interest rates go up, it will be at the instigation of this government. We have power to keep interest rates down, and I hope the minister can give the committee the assurance that interest rates will not be allowed to go up during the war.

Mr. ILSLEY: I cannot give any such assurance. Obviously the hon. gentleman is a deeper student of these matters than I am, but I do not know just how we could control interest rates with that precision. For instance, if we considered, as a matter of policy, that in the public interest we needed to make a very wide sale of war savings certificates, or of war loan bonds—

Mr. QUELCH: To meet these expenditures?

Mr. ILSLEY: For any matter of public interest, or as a matter of public policy. I do not think we could arbitrarily say, for example, "We are going to pay one per cent, Mr. Public, and we want your money; come across with it." I think the amount we get will depend upon what we offer, and I do not think it can be arbitrarily fixed.

Mr. QUELCH: I would say to the public, then: "The main reason for taxation, or the sale of war savings certificates in war-time, is in the first place, to reduce spending and, in the second place, to allow everybody to put a little aside for a rainy day. If, on the other hand, people do not want to take advantage of that opportunity, then it will merely mean an increase in taxation. To the extent that this does not provide the revenue necessary, we will utilize the Bank of Canada and finance our war expenditures at no cost other than the actual cost of operating the accounts in the banks." If that were explained to the people, I believe the government would have no trouble in keeping down interest rates, because otherwise the people would have the money taxed from them.

Mr. DOUGLAS (Weyburn): In repatriating these securities, what was the basis of payment and how was it arrived at? Were these securities repatriated at their market value, at their face value or at some value arranged between the persons in the United Kingdom holding them and the Canadian government?

Mr. ILSLEY: My recollection is that the United Kingdom government took them over at the market value, and that we bought them at that value.

Mr. DOUGLAS (Weyburn): And the Canadian government bought them from the British government at the value at which the British government had procured them?

Mr. ILSLEY: That is my recollection. There may have been some slight variation for some charge there somewhere, about which I do not remember, but substantially that was the transaction.

Mr. DOUGLAS (Weyburn): It would be approximately the market value?

Mr. ILSLEY: Yes.

Mr. NICHOLSON: The minister was kind enough to answer a question which I placed on the order paper some time ago in connection with interest-free bonds. I was delighted to see that the Canadian public had responded in a very generous manner, but I was surprised to learn that the minister's department had spent only something like $600 in popularizing this type of saving. Perhaps the minister would make a statement about the possibility of spending additional sums of money to try to promote the sale of bonds of this type.

Mr. ILSLEY: It is not the policy of the government to promote the sale of interest-free bonds by campaigns of advertising, or the like. That policy was decided upon after a great deal of consideration. As to whether it is a right or a wrong policy, I never have been sure. I believe that in England they ask the public to buy interest-free bonds, and they also ask the public to make donations to the government. It was felt in this country, however, that if we started advertising campaigns, which cost a lot of money, and otherwise promoted in a wide-spread manner the sale of interest-free bonds, the result would be that the conscientious, generous and self-sacrificing part of the population would perhaps be buying interest-free bonds as a matter of duty, and the more selfish or prudent part of the population would be buying the bonds which carried interest. It was thought that we would be open to severe criticism. It would be suggested that there was not that equality of sacrifice about which we have been talking. Therefore, when we have asked the public to buy bonds, it has always been in connection with bonds which pay interest. We make it clear, however, to any persons who wish to buy interest-free bonds as a matter of patriotic duty, that we deeply appreciate their action, and we make the particulars with respect to those bonds available. Also, when persons send us donations—and there are thousands of people who make gifts to the government—we do not discourage them. We are very grateful for those donations, and appreciate the spirit which prompts them. We offer our thanks for such donations, but we do not go out and advertise for them.

It is open to the committee to express its views as to that policy; but if we took the other one, I am afraid hon. members in the group which has been addressing itself to this matter would be the first to criticize it by saying that the long-headed and shrewd part of the population were lending their money at fairly good rates of interest, while we were trying to force these bonds on the more unselfish and self-sacrificing part of the population. It would be suggested that there could be no equality in a programme like that.

Mr. DOUGLAS (Weyburn): Has the minister not presented a good argument for compulsory interest-free loans? That is what he has done.

Mr. ILSLEY: Perhaps I presented one argument. I believe, however, other arguments against compulsory loans would outweigh the one I have presented. The hon. member knows that other considerations enter into the matter.

Mr. CASTLEDEN: I believe all hon. members who are at present in the chamber will benefit in some degree from the discussion which has taken place this afternoon. The results that may flow from it will no doubt be seen in the days which follow. I believe the people of Canada are interested in seeing that as light a burden of debt as possible be placed upon the coming generation. We do not want another crop of millionaires lining their pockets with tax-free bonds, as they did after the last war.

I do not offer any excuse this afternoon for having taken time of the committee in discussing this measure. We are considering a resolution which would permit the expenditure of $1,300,000,000. If we continue as we have been doing, it will be $2,600,000,000 next year and $5,000,000,000 in the third year. If our programme of shipbuilding alone is to be continued until 1945, I feel quite sure that anyone who knows anything about elementary arithmetic will realize that the debt structure we shall have in Canada after this war will not stand the burden. Every realistic person realizes that we are going to need a new set of rules. The seed that is destroying the present system is the seed of interest. It may bring down our whole financial structure after the war is over, and there are a great many parts of that financial structure which I believe most of the people will be glad to get rid of.

This resolution provides for advancing $103,000,000 as capital assistance to private corporations and contractors in Canada. I maintain that some of those companies are quite capable of obtaining the money for themselves. I have in mind a company such as Canadian General Electric which, I understand, is a branch of General Electric of America. There is a further amount of $2,500,000 to the Canadian Pacific Railway; $8,000,000 to the Consolidated Mining and Smelting company; $3,500,000 to the Dominion Steel and Coal company, and more than $3,000,000 to the Ford Motor company of Canada. I do not know to what extent the John Inglis company needs the money, but I

note that there is provision of $18,000,000 to that company, and $13,000,000 to the Canadian Car and Foundry company.

Coming from Saskatchewan, where people with reduced incomes are depending more and more upon direct relief, I would say that they view with great apprehension the decision of this government, at this time of heavy expenditures, to cut off direct relief assistance. Some of those people are going to face even more dire straits than they have faced in the past. If hon. members had seen what I have, they would know that those people have gone down economically further than should happen in a great and young nation such as Canada.

I repeat that I offer no excuse for discussing these matters in committee. Last year we shortened discussion and criticism because the government was in a hurry. We were informed that new war boards were being set up. We were told that the thirty-seven panels and committees which were set up would so correlate our production with our natural resources, distribution and production, that by the early months of 1941 we would be producing—I believe these were the figures—twelve planes a day or 360 a month. We kept quiet because we believed the government should have a chance to implement its policy. What we wanted most of all was results. We want delivery of goods, and when they are not being delivered we wish to know why.

Mr. MARTIN: What particular goods?

Mr. CASTLEDEN: Planes constitute one of them. We are three months behind schedule. Hitler is not waiting. He is coming over London dropping his bombs. I think the paper says that about 10,000 bombs were dropped last night.

An hon. MEMBER: Talk a little while longer, and they will be more than three months.

Mr. CASTLEDEN: We want delivery of the goods, and the government has power to deliver them. Why are they not being delivered?

Mr. McCANN: Why not pass the resolution?

Mr. CASTLEDEN: I wish to refer briefly to a matter brought to the attention of the committee a few nights ago. I refer to the matter of health. Apparently we need men to man our aeroplanes. These are figures which Canada must face. I quote from the words of the Minister of National Defence for Air (Mr. Power) at page 1605-6 of *Hansard*:

> There will be for training this year 93,000 young men of the age of twenty-one years. Without hesitation one can knock off 33 per cent of those as being unfit even for military training camps.

That is, 30,000 of these men would be unfit even for military training camps. To continue:

> That is, they would be placed in classes C-1 or C, and unfit to walk five miles.

What a glorious tribute to the health of Canada's youth!

> They are completely eliminated, so far as the air force is concerned. Then, the difference between C and A-plus, with good eyesight, would mean that one would knock off another 30,000, leaving about 30,000 annually from which we can draw.
>
> Then, if one looks at them from the point of view of educational qualifications I believe he would knock off another half of those—these would be the ones who have not high-school matriculation—leaving 15,000 eligibles.

One man in six, the flower of Canada's manhood, men in the prime of life, twenty-one years of age! What is happening to the health of Canada? What has happened in the past? Perhaps these facts will shock the Canadian people from some of their apathy. They reveal that the health problem in Canada is a real one. It is urgent, and I want to know why it is neglected. It is closely linked up with the matter of education, and I think it has arisen from neglect, poverty, insecurity and bad housing conditions. If the facts were given to the Canadian people with regard to present housing conditions in Canada, I am sure we would hang our heads in shame. Bad housing is where crime and vice breed. That is where a nation declines. We are at war, and yet we find that only one man in six who is examined is fit to be a pilot. A poverty stricken, ignorant and unhealthy populace fits in well with the plans of certain European dictatorships. Such people are easily frightened and easily bribed. You can drive such a populace wherever you will, like frightened sheep. I maintain that in Canada we have no room for a populace which is unhealthy, ignorant or poverty stricken. Such conditions have no place in Canada's economy. The right to health in this country should be as readily recognizable as the right to breathe. What kind of country are we building? I want to know who is responsible for these conditions. Is it political expediency that allows such conditions to exist? Have we a department of health?

Looking over the membership of the house, I find that there are seventeen medical doctors —fifteen on the government side, and I believe two on the opposition side. There are at least a dozen laymen like myself who are willing to help, but we seem to be blocked at every step we try to take. I inquired last July whether there would be a committee on health. That was in the closing days

when the estimates were before the house, and I was informed that the matter was under consideration—that is the usual answer. I asked again in December what was going to happen in this matter, and I was told that a voluntary committee of members of the house was set up. I was a member of that committee, and I can say that it was set up only for the purpose of trying to get action from the government in attacking this problem of health. But such action was not taken. When I inquired again in February of this year I was told that the minister did not intend to set up a parliamentary committee on health.

Nevertheless there is much work to be done. There is the matter of research. Perhaps research would reveal more startling facts regarding the health of the Canadian people which would not make very good reading, and if the statement which I saw in the Montreal *Gazette* this morning by a member of the provincial legislature of Quebec is true, there are some startling health facts which the people of Canada should know. This question needs publicity. We need cooperation between the health departments of the provinces and health organizations right across Canada, and the Department of Pensions and National Health in this government should be correlating and bringing together the various schemes of the provincial departments of health. Splendid work is being done by provincial recreation centres in British Columbia and by the anti-tuberculosis league in Saskatchewan. Why not extend such efforts? This matter is closely linked up with education. We need a proper national viewpoint, and this house should be giving that leadership on the question. We are paying to-day for our failure in the past to attack this problem. We need men now who are strong, virile and healthy. I am sorry the Minister of Pensions and National Health has left his seat, but I suppose the financial questions which have been discussed this afternoon have wearied him.

Mr. DOUGLAS (Weyburn): Oh, no; he is a monetary reformer.

Mr. CASTLEDEN: I think this question is too urgent to be disregarded any longer. We need A-1 men, A-1 plus, as we never needed them before, and it is not just for cannon fodder that we need them. We want them for the reconstruction period after the war is over. You cannot build a worthy nation unless it is healthy, is educated and has proper security. Canada can give all these.

Mr. NICHOLSON: I had a question which I intended asking of the Minister of Munitions and Supply, but possibly the Minister of Finance might give me the information. I have here a copy of the capital expenditures contract between His Majesty the King in the right of Canada and the John Inglis company, under date of October 31, 1940, and I quote a clause from the contract reading as follows:

> No member of the House of Commons of the United Kingdom of Great Britain and Northern Ireland or of the Senate and House of Commons of Northern Ireland or of the House of Commons of Canada shall be admitted to any share or part of this contract or to any benefit to arise therefrom.

There is a corresponding clause in the contract on production between the John Inglis company and His Majesty the King in the right of Canada, under the same date. Am I not right in assuming that members of the Senate of Canada should likewise be debarred from any share or part of this contract and from any benefit to arise therefrom? No provision is made to bar members of the senate from the benefits of this contract. Would the Minister of Finance explain this omission?

Mr. ILSLEY: I will bring it to the attention of my colleague the Minister of Munitions and Supply and see if there is any explanation or whether it is just an omission. I would have thought the matter was covered by the House of Commons Act governing the independence of parliament and that it was not necessary to have that clause, but I may be wrong about that.

Mr. HANSON (York-Sunbury): That clause is often put in, and I have always thought it was an insult to members of parliament. I have protested against it on more than one occasion.

Mr. NICHOLSON: Why mention the House of Commons and not the Senate of Canada?

Mr. MARTIN: The Independence of Parliament Act does not cover shareholders.

Mr. HANSON (York-Sunbury): No.

Mr. NICHOLSON: Would the minister make a statement on this point after the dinner recess?

Mr. ILSLEY: I will bring it to the attention of my colleague.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. ROSS (St. Paul's): Mr. Chairman, the Minister of National Defence (Mr. Ralston) said before the dinner recess that we on this side should be satisfied with the way in which this debate has been carried on, because it was the method which Sir

Robert Borden used in times gone by. I took the trouble to look up *Hansard* of 1917 and 1918, and I found that there is quite a lot of difference. In 1917 Sir Robert Borden introduced a similar resolution in the House of Commons, and immediately started in and gave the full details of the estimates for 1914-15, 1915-16, 1916-17, and then the war estimates for the then current year. That was the procedure followed; there was a great deal of detail, and several other ministers spoke at that time.

In 1918 the resolution was introduced by the Hon. J. D. Reid, who, in introducing it, said:

> I may say that an understanding was arrived at between the Prime Minister and the leader of the opposition to the effect that the statement which is necessary to be made in connection with the resolution should be made on the second reading of the bill. It was decided between them that this resolution should be allowed to go through and a bill founded upon it introduced.

There was very little discussion about it. But what happened was that by mutual consent the resolution was allowed to go through. Then on April 10, Sir Robert Borden gave a full and detailed account of all the expenditures theretofore and the appropriations which would be necessary for that year for the carrying on of the war.

Even though the Minister of National Defence thinks the present procedure is good enough for us because of what was done by Sir Robert Borden, the resolution moved by Sir Robert Borden was for $500,000,000, which was a lot of money in those days, yet it was not quite on the same scale, either in vastness of amount or in the detail connected with it, as the resolution now before us, and it seems to me that the government should have taken a little more care to have the debate carried on in an orderly fashion. If the important point was to get the appropriation through quickly so that the government would have the money required to carry on with, there can be no question that, with the consent of the house, a proportion of the money could have been voted, just as for years we have voted a proportion of the estimates. Further, it would have been very easy to have had a book prepared giving in detail by departments all the estimated expenditures, without the necessity of having the ministers stay in their places and repeat the details to the committee. Had this material been printed, hon. members would have had an opportunity of studying it.

I admit that there has been a little delay, and possibly some repetition. On the other hand, under the system involved in this resolution, hon. members, who cannot be in their places all the time, may miss something, when it is brought up in this unorderly way, if they happen to be out of the chamber, and that naturally leads to repetition and loss of time. Had they had the estimates to study, much delay would have been avoided.

On the other hand, the last thing in our minds—in mine, anyway—is to delay anything. A plan such as I have outlined, whereby the estimates would go through without the necessity of ministers attending other than the minister in charge of the particular department, would save members of the cabinet a great deal of time.

It must be pointed out that our constituents are interested in knowing how this money is being spent. They want to know what has been going on. They want to know what progress is being made. It is our duty, even in times like these, to find these things out. The $700,000,000 which we voted last fall went through with hardly a murmur. Now, it seems to me, the people of the country are entitled to some details of the expenditures.

In connection with certain financial aspects of this resolution, for example matters affecting companies which are in receipt of capital assistance, the banking and commerce committee could be properly asked to investigate and find out what has happened, where there are no secrets concerned. I am sure that the public would be well satisfied if all material facts were brought to the light of day.

I suggest that, in future, some course such as I have outlined should be followed, and I do not think it is too late now to do something of the kind. Certain elements of these war expenditure estimates have not yet been accounted for: for example, items with respect to the post office, the national revenue—a small item, it is true—and fisheries. Possibly, when we get into committee on the bill, some such arrangement could be adopted.

Mr. HANSON (York-Sunbury): In connection with the Department of Agriculture, on page 1497 of *Hansard* the minister gave a statement of expenditures from April 1, 1940, to Janury 1, 1941. Included are these two items: disposal of Canadian apples, 1939 crop, approximately one and a half million dollars; disposal of Nova Scotia apples, 1940 crop, $1,172,000.

I had a complaint from New Brunswick about the disposal of Nova Scotia apples in New Brunswick, where the arrangement does not apply, and where, according to my correspondent, who is a truthful man, a grower, and much interested in horticulture, the local market was very much bedevilled by the way in which the marketing of Nova Scotia apples was handled. The minister may not have got my letter. If he has not, I would not expect

him to answer offhand. I had hoped I might get an answer from him before this. Possibly the matter has not come to his attention. Will he tell us what the explanation was?

While it is too late to cure what happened last fall and this winter, I should like to have some kind of understanding that it will not occur again with respect to the fairly limited market for New Brunswick apples in New Brunswick. I understand the crop is not large, not more than 50,000 barrels or so, and the local market can absorb it pretty well if there is no dumping from Nova Scotia. The marketing regulations might, I think, be tightened up a little bit so that at all events ungraded fruit will not be dumped into the New Brunswick market. The gravamen of the charge, as I recall, is that ungraded fruit was dumped into the New Brunswick market and sold at a price away below the market price, and that the difference was made up by this government. That, I believe, is the crux of the matter, and if it is true the situation is one that ought not to obtain.

Mr. GARDINER: I recall a letter having come to my desk. I sent a letter from the leader of the opposition (Mr. Hanson) to the department to get any information obtainable on the subject. So far as I can recall, no reply has yet come back to me, but as soon as I receive it I shall give full information. On the last point made, it would not be correct, as I remember the terms of the agreement, to say that on any ungraded apples dumped anywhere the government had assisted, unless it might be considered that they had done so indirectly, because ungraded apples of that type are not covered by agreement at all.

Mr. HANSON (York-Sunbury): I may be wrong about ungraded apples. Apples, we will say.

Mr. GARDINER: It is just possible that ungraded apples might be those that were dumped. We have had, for a time, some difficulty not only in Nova Scotia but in Ontario as well with ungraded apples. We have not full control over the sale of apples within a province. We would have as between Nova Scotia and New Brunswick possibly, but we have had difficulty with ungraded apples being sold on a market that we have been attempting to hold for graded apples in connection with which we have been giving some assistance financially.

Last year we attempted to carry on without any zoning. The previous year we had zoning under which we did not permit apples to be shipped from one area to another during certain seasons. Last year we attempted to get along without that provision, but we think there will probably have to be an element of it again this year in the arrangements under which, between certain times, it will not be possible to ship apples from one section to another without a permit from the government, so that we may have more control. I will look into the matter and get information which I will put in the form of a letter and send it to the hon. gentleman.

Mr. RALSTON: May I say a word in answer to the hon. member for St. Paul's (Mr. Ross). I do not think he gave the committee the dates and the time consumed in connection with the proceedings to which he has referred. Let us take the war appropriation legislation which was dealt with in 1917. The year 1917 was the third year of the war, corresponding to the year 1942 of the present war. In 1917 the war appropriation of $500,000,000 was the largest that had been asked for up to that time, and the resolution was introduced on February 1, 1917. Sir Robert Borden took altogether six pages of *Hansard* to make his statement. As I say, his resolution was introduced on February 1 and it passed on February 6, taking six days in all.

Mr. HANSON (York-Sunbury): By agreement.

Mr. RALSTON: No, not by agreement in 1917. The same day the bill was introduced and it was given three readings and passed on February 7. This resolution has been before this committee for a month. That shows the difference in the time taken in 1917 and the time taken on this resolution. As I stated before, I am not blaming any one. I repeat that the procedure which the government has adopted in the present matter is very similar to the procedure adopted by Sir Robert Borden. My hon. friend said that Sir Robert Borden gave a great deal of information. This is the information he gave.

Mr. HANSON (York-Sunbury): He gave a break-down.

Mr. RALSTON: No. He gave expenditures on account of the war. Of course he gave the expenditures for 1914-15 and 1915-16, because there were two years back which we have not; we have only the past year. He also gave expenditures for the preceding year for the different departments—no break-down but just for the different departments, at page 355 of *Hansard* of 1917. Similar information was given by my colleague the Minister of Finance. Sir Robert gave, second, an estimate of expenditures of the various departments, which was what my colleague the Minister of Finance gave. Sir Robert gave one more thing; he broke down his

statement into pay and allowances; rations and subsistence, other items of that kind: objects of expenditure such as I gave particulars of when I was speaking. The hon. member will find that practically no questions are asked in connection with these general items. Questions were asked on certain matters of policy, and it took only six days in which to do it. Sir Robert Borden's statement was an extremely general one. The only thing in connection with which he went into detail was the arrangement with the British as to capitation allowances, the amount paid for maintenance of troops overseas, and that is what takes up a great part of his statement. In 1917 it took from February 1 to February 7 to pass not only the resolution but the bill, and that was not in the first year of the war but in the third year. That is certainly quite different from the time which it has taken on this resolution.

I repeat, I am not blaming any one, but on behalf of the government I am not accepting blame for the course which the debate has taken.

Mr. NICHOLSON: I should like to discuss a few matters affecting the Department of National War Services. I am sure that all hon. members were interested in the description the minister gave some days ago with regard to the national registration, and I have no doubt that hon. members have been greatly concerned about the large numbers of people in the various constituencies in Canada who are still waiting anxiously for directions as to where they may find employment in the different war industries. The minister, speaking on Tuesday of this week, said that for some reason or another a great many people now think they should make application to Ottawa and they write to some minister or to some person connected with the promotion of some particular industry. He said:

> We simply had to advise them that all the information with regard to these matters is now, as it always has been, at the labour offices and that that is the proper place to apply; that they can get action quicker in that way than by applying to someone else somewhere else.

The difficulty in Saskatchewan is that the labour offices find it next to impossible to direct people seeking employment to places where they might find it. I had some experience with the employment office at Yorkton last year when the air training school was under construction. On one occasion I was told that there were some 700 employees on the waiting list, and one of our difficulties has been that apparently we have no machinery set up to make it possible for the unemployed to move from one part of Canada to another.

The minister, writing from Ottawa on July 27, said:

> We hope to be able to help the Canadian people by means of the information gathered —to direct those presently unemployed to employment, and to aid those who are employed in obtaining more gainful employment.

I realize that there are difficulties in carrying out an objective of that sort, but the letter was written on July 27 and I think the department should be able to report by now some progress in that direction. Hoping that some machinery would be set up by November, I wrote to the associate minister stating that I had received a letter from the secretary of the Pelly branch of the Canadian Legion in connection with finding employment for the daughters of one of the veterans of the last war, one girl aged twenty-five and the other nineteen, and that I wondered if he could give me information as to where and when employment might be found. The associate deputy minister replied, saying:

> I would strongly suggest that (the) two daughters write to the secretary of the commission and secure applications.

The reference was to the civil service commission.

> They should complete the same and return them. Thus they will be in line for employment in the future as and when further employees are being sought.

I discussed the matter with the secretary of the civil service commission and was advised that it would be misleading to these girls to encourage them to make application to the civil service commission because at present they had no machinery for the placing of girls who were not stenographers or had no other special qualifications. Therefore, on the advice of the secretary of the civil service commission I did not carry out that suggestion.

The associate deputy minister went on to say:

> I have had a good many letters from people in the west with special qualifications amply fitting them for employment in war industries, and I have suggested to them that they go to their nearest employment office, register thereat, and ask the manager of the office to communicate with the employment offices in the larger industrial centres of Canada. These offices are pretty well informed as to where employment is to be found. In this way they do bring together those seeking employment and those seeking employees.

The letter went on to say:

> The whole problem is very much to the fore at the moment, and I know is being thoroughly canvassed and considered by the Department of Labour and the national labour supply board. It will also be given consideration by the minister of this department, the Hon. Mr. Gardiner, on his return from Great Britain.

That letter was dated November 6. The difficulty seems to be that we have not any machinery that will enable the people seeking employment, in Saskatchewan for example, where we have no war industries operating at the present time, to get in touch with industries in Ontario or Quebec. The minister mentioned the other night that they have machinery here, so that manufacturers wishing employees could find out where properly qualified people might be found, and I am sure that a valuable piece of work is being done in that connection. I should like, however, to ask what machinery we have for keeping these cards up to date. The registration took place last August. Is there an up to date record as to which of those registered as unemployed last year now have employment, so that manufacturers who wish to secure toolmakers, for example, or steel workers, could obtain the names of those who were unemployed in that particular industry and know whether or not they are now working? Further, what progress is being made towards directing the unemployed to where they might find employment in other parts of Canada?

Mr. GARDINER: I think the system under which the direction is given is pretty well outlined in the letter written by the associate deputy minister. In the first place, as I stated the other night, there is in the statistics branch of the Department of Trade and Commerce, which is doing this work now at the request of the war services department, a list of persons across Canada who are capable of doing certain kinds of work. So far as industries that require that type of labour are concerned, there is no difficulty; they can make application to the department and get lists from any part of Canada they desire, and with those lists they can make inquiry and engage as many of those persons as they require.

When the initiative is taken by the industry, the machinery is to be found in the lists that are available. As to keeping the lists up to date, an effort is made to do that. That effort will not be entirely successful unless there is one hundred per cent cooperation on the part of those looking for jobs; that is, if they move from one place to another, they should notify the branch keeping the lists. An attempt is being made to get that done, but it may not be done quite one hundred per cent.

On the other hand, individuals desiring to find employment should as far as possible follow the advice that was given by the associate deputy minister; that is, they should use the machinery which has been set up by the Department of Labour at Ottawa, cooperating with the labour branches in the different provinces, by listing their names with the labour offices. It is assumed that if they request that that be done, those names will be filed at the centres where industry is situated and where employees may be required. In so far as that is done, I think the machinery makes it possible to bring the unemployed person in touch with the industry where employment is available.

Further, I do not think it is impossible for the individual to get service by writing direct to the labour offices in the larger districts and seeing that their names are filed there. In other words, it is to be assumed that the individual will do everything possible on his part. I know that most are anxious to do that, but they often do not know just how to proceed. If we as members, when we get communications from individuals seeking work, would try to instruct them along that line, sooner or later the greater number would at least know how to make use of the machinery that is available. We are putting out information regarding it from time to time, but I am afraid it does not always reach those desiring it.

I do not think there is anything I can add so far as the machinery set up is concerned. I am doubtful whether we could set up machinery that would be any more complete. We might change the administration from one department to another and get more of it into one place, but it is a question whether that would produce any better results.

The other difficulty referred to by the hon. member was that of persons getting from where they are to the place where employment might be found. The information that I have is that with regard to most of those who are requiring employees, that is in connection with war industries or shipbuilding, when they have been able to locate persons suitable for their employment there has not been any great difficulty in having funds advanced to take them from where they are to the place of employment. The main difficulty is, I think, to convince the industry that the individual is qualified to do the work so that it will take the chance of paying the transportation. It would probably be just as difficult to get government bodies to do the same thing. We have, of course, the additional difficulty that there may be a certain amount of unemployment in a province, and if persons were to be moved into that province from another one, the provincial government would probably have to be consulted. The machinery, however, is there, making it possible to bring about the contact. It may be it is not sufficiently generally known that the machinery is provided.

Mr. DOUGLAS (Weyburn): What has been done by the voluntary service registration bureau? Is it still functioning, or has its work been taken over entirely by the national registration?

Mr. GARDINER: The voluntary service registration bureau was conducted in the first instance under the Department of the Secretary of State. All the applications made to any of the departments of government early in the war period were turned over to that organization. In addition, persons made application direct, knowing that the organization was there. There was a very considerable list of persons who sent in their names from all across Canada. That list, I am told, was combed thoroughly by the supplies department when it was first set up, and information with regard to the names contained therein was passed on to industry, which made some use of it but perhaps did not take all the persons who thought they should have been employed as a result of having registered in that way. At the present time the list is still with the Department of the Secretary of State, but I believe it is just in process of being turned over to the Department of National War Services, to be used along with the lists we have, although I would suggest that hon. members should not take from this that no use has been made of that list since the present department was set up. That list has been consulted from time to time, and from it have been taken the names of persons available for certain types of employment, where that was requested by industry.

Mr. GREEN: How many names are on the list?

Mr. GARDINER: I have forgotten; there are some thousands.

Mr. GREEN: Last summer it was reported that there were 75,000 names on it.

Mr. GARDINER: I imagine there would be that many. For the benefit of the committee and, I think, of the country, I would say that I believe those who made up that list had very much the same experience as we have had from the lists under the registration. It will be noted that in Ontario, for example, there is a very large number of people between the ages of thirty and fifty, a much larger number than perhaps one would expect. It is unfortunate that a great many people between the ages of forty and fifty and even between fifty and sixty, who found themselves unemployed during the period of depression, are finding the greatest difficulty in getting back into employment again. I regret, as I am sure every other hon. member will, that this is the situation. Probably the time will come when it will be necessary to urge, much more strongly than we have been able to do up to the present, that many of these persons be employed in industry. It may be that younger people could do the work to better advantage, but there may be some other work to be done by younger people that older people can not do, and in such instances it might be necessary to urge the employment of many of those who were on those lists made up under the voluntary effort. Not only does that apply to voluntary effort; I think a large part of those seventy thousand names will be found in the one or other of the ten-year age groups referred to in Ontario at the present time, and the same thing will be true right across Canada.

Mr. MUTCH: It seems to me that we in this house are in danger of overdoing the slogan, "This time we are all in the front line." With all proper respect to the author of those words, so far as Canada is concerned they simply are not true. It is not only untrue that we are all in the front line in Canada; unhappily it is true also that many of us apparently have not realized the magnitude of our task, which is to get on with the battle itself. It is now a month since we began to deal with this resolution, and perhaps we should note that it is not taking nearly so long to deal with the seven billion dollar appropriation which is being discussed in Washington to-night.

This debate has lagged disgracefully. It is a spectacle that reflects no credit upon either the earnestness or the sincerity of any of us in this house. To emphasize in its defence the importance of opposition is to insult the intelligence of all, and does not fool anybody. The word "break-down", I think, has become almost overworked during this discussion; I believe if we took out that one word we would save a day or two. The break-down, if there has been a break-down in this house, has been the break-down of the opposition which, bankrupt of ideas, keeps bobbing up, hinting this and insinuating that. As a result of this procedure, two conditions have arisen in this house and in the country. In the first place, unthinking criticism has had and is having the effect of widening the gap between the government and the public, or perhaps it would be better to say the gap between parliament and the public; and this at the very time when public confidence is essential to victory. The second result of this recognized weakness has been that the newspapers of the country have been led to attempt to usurp the function of opposition, to become the thoughtful, informed critics of the administration. Apropos of that

situation, I should like with your permission, Mr. Chairman, to recall the words of a very wise American editor, now dead, who said: "A government without newspapers would be intolerable. A government with newspapers is endurable. A government by newspapers would be the worst conceivable."

Linked with the folly of criticism without regard to ultimate consequences is another evil which is sometimes evidenced in this house. We have been told how difficult it is for a camel to pass through the eye of a needle. Sometimes I have thought that a camel passing through the eye of a needle would have an easy time compared with the problem of a cabinet minister admitting an error in judgment. This chamber has been called the last refuge of free speech, and that has not been a jocular reference. There is real reason to agree with the thought that in this country it is the last refuge of free speech. But that does not justify or excuse licence in connection with this forum. We have been singularly free from licence, in the sense of misuse of our privileges, but this does bring me to one or two conclusions.

The first conclusion to which I have come is that in this country we have been a bit silly about censorship. I do not think any real harm has been done, but personally I object to the banning of publications because they hold views which are unpopular or not in accordance with those of the majority of us. I protest against that sort of thing; in my opinion it is a violation of the rights of the citizen. I do not think it heals any breaches in public opinion. I think it accomplishes no worth while end. Our cause—the cause of the government, of parliament, of the country and of the empire—is a just one; I think we can justify ourselves both at home and in the eyes of the world with regard to our methods of protecting the system of society in which most of us still believe and have a good deal of confidence, without resorting to the very practices against which we are fighting at the present time. I should like to make it perfectly clear that I am referring not to military censorship, but rather to the type of censorship which is aimed at things, written or oral, with which the majority of us happen to disagree.

Even I know the exasperation which comes from attempting to answer carping criticism. Most of us, perhaps, have not the consciousness of virtue which cloaks almost all governments—and I suppose always will—like a mantle; but even you and I would sometimes choke off thoughtless criticism if we dared or if we had the opportunity. I think we all need the criticism of both friend and foe in order to retain our proper perspective, and in any event, to my mind this is the essence of the democratic principle.

This unreality of the proceedings here during the last month or so; this failure to face up to our situation, as evidenced by our deeds rather than by our words, has come as a shock to people outside the house. I have no hesitation in saying that the atmosphere which pervaded this house during the first ten days of our participation in this war was something which will not be forgotten by anyone who had the privilege of experiencing it. A good deal of that has, it seems to me, evaporated somewhere in the meantime. And in spite of the example of those in other lands who have been lulled by temporary inaction we are following the same fatal practice here, and trying to do business as usual. It occurs to me that with respect to the debate on this resolution, in particular, the government is not to blame. With praiseworthy promptness the resolution was put before us. We may haggle about the method of it and the phraseology of it, or the general practice with respect to it, but the fact remains that within forty-eight hours of the time we arrived here we had an opportunity to begin our deliberations.

We the members of the House of Commons in all parties are those who are responsible for delay. Our people are willing and anxious to be led to greater things than any inspiration they can get from this last month in the House of Commons would justify. Every day since I first came to this chamber in 1936 I have had the opportunity to sit on the opposition side of the house. And during the last days I have been here I am bound to say I have been more comfortable about it than I had ever been during the previous time. I am not paying tribute to any changes or to any newcomer on this side of the house, when I say that. But, disturbed as I am about what I conceive to be the unreality of our attitude, it is worth something to me to be able to sit on this side of the house day by day and to be able to look into the face of the one man who, I am sure, has looked into the future with eyes undimmed by false hopes and without being motivated by pious wishes. I seek the opportunity to say that because I believe it represents not only the view which is my own, but the view of those whom it is my privilege to represent.

We have been rather tender about mentioning politics in the last little while, except to mention it by suggestion or innuendo, as something which is a bit discreditable. In connection with that I have a word or two I should like to say. There is a form of political brigandage which is not confined to the east

or to the west, and which is not entirely confined to political parties. It creeps sometimes into organizations of persons who have banded themselves together for purposes other than the promotion of the government of the country. I do not care whether that type of propaganda—politics—is cloaked in the verbal garb of patriotism or whether it comes out openly as a kind of self promotion; it is something which should be scotched. No dignity should be lent to it by taking it into consideration in the deliberations of this chamber.

I wonder whether we have so soon forgotten the spirit of sacrifice that built this country? I wonder whether no one does any more dedicate himself or herself to the task which is ours with something of the fine fervour of the Jesuit fathers, the covenanting Scot, the Puritan pilgrims or the huguenots? Men starved and froze, strained every nerve and tissue to make this country what it is and to win the privileges which we have, to the protection of which we all give lip-service in between bouts of seeking our own selfish ends.

Some excuse themselves on this account from greater service on the plea that there is in the war effort inequality of sacrifice. There never was and there never will be equality of sacrifice with respect either to the war effort or to any of those problems or those efforts which require sacrifice. Sacrifice is not something which can be measured in a measuring cup, or with a yardstick. Sacrifice involves—if it means anything at all—giving all an individual has. Fortunately or unfortunately, all are not equally endowed.

Let me repeat that equality of sacrifice is an objective always to keep in mind, bearing with that thought the realization that there is not any common yardstick for measuring it. In debates such as this, and in consideration of problems such as we are now considering, it has become a political catch-phrase, the cloak of the demagogue and those who imitate him.

At this point I should like to say a word or two about questions which have been asked during this session. In my opinion, most of the questions which have been asked in the house concerning the military efforts of Canada were improper questions. And I make bold to say that at least some of the answers which were made were at least indiscreet. The first reason I believe for the asking of improper questions arises out of an honest desire to understand what is taking place. Perhaps in some instances some of us ask questions in the hope that by asking our questions we may give the impression that we understand something which, in fact, we do not understand. Generally speaking, I fancy the real reason is an honest seeking after information. The question-harassed minister perhaps cannot resist the chance to give some credit to his hard-pressed staff, who are seldom offered anything in the way of praise. If they have accomplished something worth while, the temptation must be great to give some credit, because no one would assume that the minister had done it all himself. Perhaps under those circumstances we sometimes hear too much.

I fancy only a fool would try to guess what issues will predominate at the next election in Canada. That being the situation, I am at a loss to understand a good deal of the delay we have had in this debate. I am not so foolish that I cannot understand honest questioning and serious debate, but I have heard a good deal which I believe frankly was not serious, and I have read more of it than I have heard. If we admit, and we must admit, that we do not know what is going to be our problem in three or four or five years from now, I cannot see the point of spending so much time in raising little issues which the whirlwind of the next two or three months or the next two or three years will carry into oblivion—possibly with some of us, ourselves. But there is an issue which is conceivable, namely, the preservation of this chamber and the system it stands for. Every idle word spoken now, every utterance of political clap-trap and every careless word that mars the mutual understanding and co-operation of all elements in this country and in this chamber will be turned against those who in that day champion the cause of parliamentary and representative government.

If there are failures and follies in the war effort of this country—and there are; I do not think anyone denies that—we have an opportunity, and many have taken it, of going directly to the minister or the ministers who are responsible, and placing the situation before them. After all, they are the only people who can do anything about it. I say it ill becomes anyone who professes to be interested in promoting that effort to pin medals on his own breast for discovering the fault, when our real and earnest endeavour should be to draw the fault to the attention of those who are responsible, in order that the machinery may be perfected.

By the same token it seems to me that those who accept responsibility in a time like this should not regard criticism as sacrilege. Our problems are a bit too serious to let personal considerations on either side of the question enter into it at this time. I might venture a word of warning, and perhaps one of advice, since I am not one in the habit of

taking either. The pressure of war administration and the hand of time will too shortly, as most of us believe, deplete the ranks of those schooled in the practices of government, and steeped in the traditions of our parliamentary system. It is time those in authority began to train in the school of experience—and I do not mean just the government; I mean those of all parties who are interested in the preservation of our institutions—some who will be called upon to carry a share of the load, some who may be trained in the school of experience to meet the problems which will come. It is putting too much on Providence to believe that we can simply coast along through this war period and go through whatever is coming afterwards, and that the Lord will look after everything and raise up properly trained people to take care of the situation. I might illustrate my thought by referring to my immediate neighbours to my left. Certainly no one would say that the Conservative party is a godless party, but yet at this very moment it is a headless party, by its own admission. That is not due to Providence but partly due, at all events, to the improvidence of the party itself. That is something we might well think about.

As a Liberal who does not believe that the Liberal party has a monopoly of all grace; as a staunch believer in the two-party system; and as a sincere Canadian, I pray for the emergence of the sort of opposition which with watchful eye and helping hand will press onward with the government in order that we may speedily win the victory upon which the survival of all of us depends.

The hardest lesson which we have to learn, and some never learn it, is that war alters all values. We all need to remember that a decision which is or may be regarded as bad politics should be taken cheerfully by each and every one of us if we honestly believe it is in the interest of our common aim which is victory. By the same token, it borders on treason, just for the sake of winning some political or personal advantage, to destroy public confidence at a time when so much sacrifice is asked of those by whose grace we happen to be here.

Some day this government will disappear. It will be defeated. That is a situation which I think Canada can face with a reasonable degree of equanimity. Some day our Conservative colleagues will form a government, and I believe that Canada will survive even that. But the thing we must above all be afraid of and avoid is the failure of our free institutions of government themselves to survive. I am of opinion that by our action here, or perhaps by our words and lack of action, something is being done to destroy the confidence of our people in those institutions which we should be doing everything to uphold. Parliament as an institution is in the hands of its members, and when some of us forget that, we all suffer for it.

Finally, referring back to what I said before, I think we should all question the wisdom of the slogan that now we are all in the front line. I think that breeds a sort of atmosphere among our people which I do not think is helpful. And growing out of that, I would say that the sons, brothers, mothers, sisters, wives and sweethearts of our soldiers, sailors and airmen, and our men themselves, have a right to expect us to match in some measure the sacrifices which they themselves so freely make.

Mr. GREEN: Mr. Chairman, for the last few weeks the Minister of Mines and Resources (Mr. Crerar) has been having a fairly easy time in this house, although I have no doubt that he has been more than doing his bit outside. To-night I should like to ask him a question with regard to the guest children coming from Great Britain to Canada. I see in the war appropriation estimate the sum of $244,800 which is earmarked to cover "expenses re British evacuee children." We have been reading in the press during the last few days, how badly the people of Great Britain are being bombed, with an increasing number of casualties which no doubt include many children.

In the annual report of the Secretary of State for External Affairs for the last calendar year, at page 8, I find:

> The total number of applications from British parents exceeded 70,000 up to July 5, 1940, when postponement of the scheme had to be announced, due to the difficulty in securing convoyed shipping space.

The report goes on to say:

> On September 20, 24,130 children had been approved for Canada; 1,538 had actually sailed.

In other words, there are about 23,000 British children who have been approved for passage to Canada but have not been able to come out. The British children who have already come to Canada have won the hearts of the Canadian people. They have been more than welcome, and I believe that there are thousands and thousands of Canadian homes open now for children from Great Britain but unable to get the children. Some one has said that as many as 50,000 children could be placed. I think that just at this time it would cheer the people of Great Britain very much if this house could show beyond any question that we are only too anxious to welcome and take care of every single British child who can be brought to

this country. I would ask the minister to make a statement with regard to this matter.

Mr. CRERAR: It is quite true, Mr. Chairman, that the committee has heard nothing from me so far in this debate. I would not, however, want the hon. member for Vancouver South (Mr. Green) to get the impression that it has been altogether a pleasure to me to listen for four weeks to a discussion on this appropriation bill ranging over almost every subject that one could imagine. We have had monetary theories expounded, opinions given as to how the war could be won, discussions on the merits and demerits of lignite and bituminous coal, as well as the discussion of a great many other subjects as I have observed with much interest, when I have been listening to the debate.

On the subject of British guest children which has been raised by the hon. member for Vancouver South, he has, I think, stated the pertinent facts pretty well in quoting the extract he read a moment ago. As I recall it, between 1,500 and 1,600 of assisted passage British children have reached Canadian shores. In addition, there were several thousand, as I recall, approximately 5,000, who, some with their parents and some without their parents, found their way to Canada without any assistance from either the British or the Canadian government.

Mr. GREEN: Did the minister say 5,000?

Mr. CRERAR: Yes; my recollection is that it was about 5,000. I give that figure with reservation because I do not recall the exact number, and as I said a moment ago, between 1,500 and 1,600 of assisted passage children came out under arrangements made between the two governments. The movement started in the latter part of last summer and continued for several weeks, but as the autumn closed in and the danger of transport across the ocean increased, the British government of its own volition suspended the movement for the winter months. So far as we are aware, it was the intention of the British government to resume the movement with the coming of spring. It will, however, be in the minds of every hon. member, I am sure, that the risks to-day are even greater than they were a year ago, and consequently the British government and the British parents who might wish to send their children to a safe haven in Canada have to make a very difficult and tortured decision as to whether it is safer to keep the children in Britain, subjected as they are to bombing, or to take the risks of transferring them across the Atlantic, where they may be subjected to submarine attack. Consequently, it is not for the Canadian government to advise the British government as to what they should do under these circumstances. The people of Britain are the best judges.

There is no misunderstanding in the minds of the British government or the British people as to the willingness of the Canadian government and the Canadian people to give asylum to all the children they can send to this country. That has been made very clear on more than one occasion; and we simply have to wait on events and see what course the matter may take in the light of the conditions of the war as they develop in the weeks which lie immediately ahead.

Mr. GREEN: It is perfectly clear that we will welcome all the children that can be sent?

Mr. CRERAR: There is no question of that.

May I just say an additional word on how the scheme has worked out so far as the children are concerned. Hon. members will recall that the basis of operation of the scheme was the utilization of the existing welfare agencies in each of the provinces. As a result of conferences held in Ottawa, the plan was developed and homes were carefully inspected by experienced social workers as to their suitability for the reception of the children. That occurred in every province. Here may I pay a very large meed of praise to the provincial governments and to the social welfare agencies under their control which have cooperated in making this scheme, I think, a fine success. These children have been placed all across Canada. It is true that occasionally changes of homes have had to be made; that was inevitable; but I think I may say with confidence that the plan has worked out excellently and that the overwhelming majority of these children are happy and safe; and that is the important thing.

At the commencement of the scheme the British government sent a representative to Canada who was attached to the British high commissioner's office in this city. In the late months of last year and, I believe, the beginning of the present year, this gentleman made a trip across Canada, personally visited a great many of the homes in which children were placed, and met the people who had the direct supervision in the provinces. When he returned he came to my office to express his satisfaction on the whole with the manner in which the plan has worked out. If there are complaints, they have not come to my notice. I think I would have heard something of them if the scheme were not working out on the whole satisfactorily. I have not received by letter a single complaint from any part of

Canada as to the operation of the scheme, and to the best of my knowledge and belief it is working out in a satisfactory manner. These children are being cared for as though they were the children of the homes in which they are placed. They are receiving proper medical and dental care, adequate clothing for winter weather, and all the educational facilities that the communities in which they reside can provide.

I wish to say here publicly a word of thanks to the supervisory committee that has had under its close and unremitting attention the welfare of these children. As hon. members are aware, Doctor Wallace, president of Queens university, is chairman of this committee; Mr. Logan, president of the Canadian Bank of Commerce, is honorary treasurer of the committee.

It may be of interest to the committee to know that quite a considerable sum of money —I cannot at the moment give the precise amount—has been received, not in response to a public appeal, but by way of voluntary giving on the part of many people throughout Canada and some in the United States who have made contributions to the welfare of the children. These gifts have been applied to such extra expenses as are involved in hospital, medical and dental care where the homes in which the children were placed have not the means themselves to provide these necessaries.

I am glad that the hon. member asked the question, because it has given me the opportunity to state just how the scheme has worked out so far. The amount in the appropriation bill to which my hon. friend referred, is, of course, an estimate. Should the movement be resumed in a large way, all the money may be required. It is put in for that purpose and is about as close a guess as we are able to make at the present time.

Mr. DOUGLAS (Weyburn): Could the minister give us any information as to the distribution of these children over the different provinces? Have most of them been located in one province, or have they been distributed pretty well over the various provinces of Canada?

Mr. CRERAR: I could get that information for my hon. friend; I do not have it at the moment. They have been distributed to every province in Canada. I should say, to hazard a guess, that there are probably more in Ontario than in any other province.

Mr. CASTLEDEN: Has any part of this expenditure been made to pay people for keeping children?

Mr. CRERAR: No, not beyond the items mentioned a moment ago.

[Mr. Crerar.]

Mr. CASTLEDEN: Yes, I understand—social service.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 19, for granting to his majesty aid for national defence and security.

Motion agreed to and bill read the first time.

NATIONAL PARKS

PRINCE ALBERT—PROVISION FOR WITHDRAWING CERTAIN AREAS OF LAND AND ESTABLISHING NEW BOUNDARIES

Hon. T. A. CRERAR (Minister of Mines and Resources) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the National Parks Act for the purpose of withdrawing certain areas of land from the Prince Albert national park as presently constituted, and for establishing new boundaries for the said park as a consequence thereof.

Mr. HANSON (York-Sunbury): Will the minister explain the object of the resolution? It withdraws certain areas of land from the national park in Prince Albert. What is the area, and what is the purpose of the withdrawal?

Mr. CRERAR: The total area of the Prince Albert national park at the present time is 1,870 square miles. It is proposed to reduce that by 376 square miles, leaving the park thereafter with an area of 1,494 square miles. The part that will be taken out under this legislation comprises three different blocks, one a comparatively large block which is rather swampy with a certain amount of timber and which, as a matter of fact, should not have been included in the park area in the first instance.

Mr. MacNICOL: Who is asking for it to be taken out?

Mr. CRERAR: I will deal with that in a moment. I should say that the areas taken out of the park will revert to the province, but we have reached an understanding with the province that one block of eleven square miles, which is fair agricultural land, will be added to an Indian reserve near the southeast corner of the park. This additional block of eleven square miles will prove very useful to the Indians on that reserve for development in an agricultural way, and the other small block will probably be opened up to settlement. It lies on the southern boundary of the park.

The reason for this is that it will reduce to some extent the cost of administering the

park. The area has to be patrolled to guard against fire and to protect it against illegal trapping, because trapping is forbidden in the park. After giving the matter considerable thought, the park officials came to the conclusion that the exclusion of these particular areas I have mentioned would reduce the cost of administration and would not detract in any way from the purposes for which the park was created. After I had studied their recommendations, I agreed with them.

Mr. NICHOLSON: Has any survey work been done by the minister's department to find out whether the land to be set aside for agricultural purposes is suitable?

Mr. CRERAR: No, we have not made any particular surveys of the land. We know the general nature of the land, and we know that similar land is being farmed to-day. My hon. friend is familiar with the Prince Albert district. He knows that north of Saskatchewan river, north and west of Prince Albert, there is fine agricultural country developed as a result of clearing timber off the land, and the information I have is that the two smaller blocks, one of which goes to the Indian reserve, are land of this type. It would be suitable for settlement.

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

Mr. HANSON (York-Sunbury): The minister gave a brief explanation and, so far as I know, there is no question about the matter. Is it the primary object of the bill to cut down the cost of administering the national park?

Mr. CRERAR: Yes.

Mr. HANSON (York-Sunbury): Is there any other object?

Mr. CRERAR: Not that I am aware of.

An hon. MEMBER: Who recommended it?

Mr. CRERAR: The recommendation came from the officers of the department.

Mr. NICHOLSON: Has the department of natural resources in Saskatchewan been consulted? Has it made representations expressing a desire to secure these lands?

Mr. CRERAR: Not that I am aware of. The matter was taken up with the Saskatchewan government, because the land will revert to them, and we wished to secure these eleven square miles for the Indian reserve, to which they agreed.

Mr. HANSON (York-Sunbury): That area of eleven square miles will have to be dealt with in the bill?

Mr. CRERAR: Yes.

Mr. COLDWELL: Has this land which has been classified as agricultural been surveyed by the soil survey department of Saskatchewan? I ask the question because a great deal of land in that part of the province which was thought to be good agricultural land was found after a few years to be leach land and not really suitable for agricultural purposes, although it looked all right. Saskatchewan, has, I believe, done more in soil survey work than any other province, and I was hoping that before any of this land in the north country was opened up for agricultural settlement, the soil survey branch of the university of Saskatchewan would first of all advise as to its suitability. I wonder whether, in throwing open this land out of the park, attention has been given to that matter. In my opinion it is of vital importance, because we are going to have a further relief problem in northern Saskatchewan for the reason that people have settled on land which is not really suitable for agricultural purposes, because it is so badly leached.

Mr. CRERAR: The larger area I spoke of, lying to the east of the park, is, I am informed, not suitable for agricultural purposes. It is more or less swampy, with some timber. The two smaller areas, one of which goes to the Indian reserve and the other lying at the southern part, have been described to me as fair agricultural land. As regards the part that goes to the reserve, the Saskatchewan government will have nothing to do with its administration. So far as the other part is concerned, that which lies westerly and at the southern boundary of the park, when it will be opened up for settlement and the conditions under which it will be opened up are, of course, matters for the provincial government to deal with. I should think it likely, although I have no knowledge of the subject, that in the light of their experience in the past they would probably have soil surveys made, such as the hon. member for Rosetown-Biggar (Mr. Coldwell) has referred to, before opening up the land for settlement. That, however, is a matter wholly for the Saskatchewan government to determine. Of course we did not make the provision; indeed, it would have been wholly unwarranted on our part to have made it a condition that they institute a soil survey of this area before they would open it to settlement. We simply arranged with them to take it back. The conditions of settlement are for the Saskatchewan government to determine.

Mr. CHURCH: It seems strange to me why the National Parks Act is being amended for the benefit of these prairie parks, although I am not objecting; but during the last two

or three sessions there was a proposal for an amendment as far as Ontario was concerned, which is almost a similar case, and nothing has been done. Ontario has the smallest area in national parks of any province of the dominion. The proposal was to link up all the government properties from the Trent canal, lake Simcoe, Muskoka, Parry Sound, right through to new Ontario into a grand scheme of national parks, with Muskoka which is very suitable both in summer and winter. What has become of that proposal?

Mr. CRERAR: I think there was some discussion along the lines my hon. friend has mentioned; indeed, I think he himself advanced that in one of his occasional speeches in the house last session. But there was no proposal of any legislation to amend the parks act or enlarge the parks to take in the various areas he has mentioned. Legislation is necessary in this case because the park boundaries are set under the National Parks Act, and consequently we cannot reduce the area of a park or enlarge it without legislation. The purpose of the legislation in this case I have already stated.

Mr. HANSON (York-Sunbury): What has become of the proposal, now six or seven years old, to set up a national park in New Brunswick? About 1934 the former government undertook to establish a national park in that province, and an expert was sent down there to make a survey of the several locations suggested. One, known as the Lepreau area, I think got grade A; the other in Albert county, which some people sought to call the Bennett national park, got grade B. Before that squabble was settled, the change of government came and the Bennett park disappeared. Then a new provincial government came into power in New Brunswick, and I suppose there must have been a dozen—that may be an exaggeration, but at least there were three or four new entries in the race for the location, including one in Victoria-Carleton, and another in Queens county. Perhaps the minister would tell us if that has died a natural death, and who was the executioner?

Mr. CRERAR: I would not say it has died either a natural or an unnatural death; I think the idea still has the breath of life in it. An examination was made of several sites, and that data is available in our parks branch. I would draw the attention of my hon. friend to this, that two considerations have to be met before a national park can be established in New Brunswick or anywhere else. The first is that the area selected must be suitable for park purposes. I am sure that no difficulty will be experienced in meeting that condition in the beautiful province of New Brunswick. Indeed, I have heard it said that the whole province is a park.

Mr. HANSON (York-Sunbury): Yes; I agree with that, but not with the implications of that statement.

Mr. CRERAR: The next consideration—and I think this is where the difficulty arose in 1935 or subsequently—is that the area must be conveyed for park purposes without charge to the federal government.

Mr. HANSON (York-Sunbury): In other words, the province has to deliver the goods.

Mr. CRERAR: When it comes to establishing a park in New Brunswick, where settlement has existed for many years in practically every part of the province, it means, or at any rate I am so informed, that private properties have to be acquired by the government.

Mr. HANSON (York-Sunbury): Some private properties.

Mr. CRERAR: Some private properties have to be acquired by the provincial government and transferred free of charge to the federal government. I think that is where the difficulty has arisen. Certainly for two years at least after this government came into office we had a vote of $25,000 a year to carry on preliminary surveys, once the area had been made available to us. So far it has not been made available. I am not criticizing anyone for that; I think very obvious difficulties have arisen. I think it is quite impossible during this time of war to proceed with the establishment of any new parks. I would have great difficulty in convincing my colleague the Minister of Finance that it is desirable to spend money in developing new parks during the war. I have no doubt, however, and I express my own view in the matter quite frankly, that New Brunswick should have a national park, and that when the troubles we are now experiencing have passed away, that province will have a national park.

Mr. HANSON (York-Sunbury): I agree entirely with the last proposition of the minister, that it would be ridiculous to talk about establishing a national park in any province to-day. But I might give him a little piece of information. A park would have been established if his friends in the provincial government could have agreed among themselves, but they absolutely failed to do so.

Mr. CRERAR: I, of course, have no knowledge of that. We deal with these matters, or at any rate we endeavour to, in a coldly realistic way in the departmental administration.

Mr. McIVOR: I think this discussion is getting out of order, but if it is in order to discuss the parks of Canada in general I should like to present a claim for Kakabeka falls near Fort William.

The CHAIRMAN: I would point out to the committee that my task is rather difficult. I have tried to apply the rules, but a custom developed during the last debate of allowing the greatest possible latitude of discussion to all hon. members. I am sure, however, the question of the hon. leader of the opposition was altogether out of order on a question with respect to the boundaries of a park in Saskatchewan. Therefore the point of order is well taken.

Mr. HANSON (York-Sunbury): I shall not pursue the matter any further.

Mr. CASTLEDEN: What is the name of the Indian reserve to which the eleven square miles is being added. Is that the reserve just north of Birch Hill?

Mr. CRERAR: I am sorry I cannot give my hon. friend the name of the reserve at the moment, but I can describe its location fairly accurately. As I recall now, it is at or near the southeast corner of the park.

Mr. CASTLEDEN: In one of those reserves there is a valuable piece of land on the south side of the Saskatchewan, and I wanted the assurance of the minister that it was not the intention of the department to exchange the eleven square miles which are being added to another portion of the reserve for that very fine piece of land on the south side of the river, which now is included in that reserve.

Mr. CRERAR: Oh, no; we would never think of such a thing.

Mr. NICHOLSON: Just what is the saving likely to be? I have not had any communications in connection with this park, but it is one of the most valuable tourist centres in Saskatchewan, and we would be greatly disappointed if the beauty of this park should be in any way affected by any such transfer of properties. Could the minister estimate what will be the saving to his department as a result of this transfer?

Mr. CRERAR: I have no definite figures that I can give my hon. friend as to the saving. Perhaps we might save the expense of a few fire rangers who patrol this area, since, as I have said, it is largely swamp and timber. I can assure my hon. friend that it does not add anything to the beauties of the park; as a matter of fact, it should not have been included in the park area in the first instance. Occasionally we have changed the boundaries of parks where experience has indicated that it was advisable to do so, and the recommendation for this change came from the officers of the parks branch. As I stated in reply to a question by the leader of the opposition, after I had looked into and studied the matter I agreed with their recommendation, and consequently the resolution is here.

Mr. CHURCH: Who is requesting this amendment?

Mr. FRASER (Peterborough West): I would suggest that the minister get for us the figures with regard to the administration costs of the park; and, as the hon. member to my left suggested, what is going to be saved. We have all too few parks across Canada now. I understand that this year we are going to spend $500,000 in advertising to bring tourists to Canada; but if we cut down our parks by so many square miles each year, in another ten or fifteen years we shall not have any parks. We must have some attractions to offer the tourists. The minister says these are swamp lands, but I think that is the very part that should be retained, because that is the part of the park where the deer and wild animals feed during the winter.

Mr. CRERAR: I think I would be in a position to give the hon. gentleman the information he has requested with regard to savings when the estimates of the parks branch are before the committee at a later stage. Let me relieve his apprehension at once as to the effect of this transfer on the general park system of Canada. I agree that it is desirable to have these national playgrounds, and for quite a number of years now, successive dominion governments have spent considerable sums of money in developing our parks. Since the present government came into office at the end of 1935, two new parks have been developed or are in process of development, one the Cape Breton Highlands park in Nova Scotia—

Mr. HANSON (York-Sunbury): Which will be one of the best in Canada in time.

Mr. CRERAR:—which is a matter of very great pride to my colleague the minister of naval services, and also a park in Prince Edward Island. If conditions had remained normal; if our revenues had been fairly buoyant and we could have afforded it, I think it would have been the policy of the government to increase the number of these national parks throughout Canada. I am a thorough believer in the national park system.

Perhaps my hon. friend did not hear me, or he may not have been in the chamber when I stated earlier that all we are doing in this instance is reducing the area of the Prince Albert national park from 1,870 square miles to 1,494 square miles. In making this reduction we are not detracting in any degree whatever from the essential features of the park. We still have a very large area, and we have to keep a balance in these things. For instance, a park of 1,500 square miles requires a great deal of patrolling, and necessitates the expenditure of money for protection against fires and so on. We are turning back to the province an area of swamp and forest land. The province will assume the responsibility of protecting that area against fire, and our expenditures will be reduced correspondingly. How much they will be reduced, I cannot say at the moment.

Mr. FRASER (Peterborough West): When that land is turned back, will the province keep it in its present condition?

Mr. SLAGHT: That is their business.

Mr. FRASER (Peterborough West): I do not know. I should think that would be up to this government. I was in the house: I have the figures the minister gave, but I should like to know if the province will keep that land in its present condition. Some restriction should be imposed.

Mr. CRERAR: No; we could not do that; it would be quite impossible. I think my hon. friend will realize that if he gives the matter a moment's thought. This land reverts to the province and becomes part of the public domain of the province, which administers it just as it administers the rest of its public domain. I have been advised that there is a certain amount of timber on this part, I do not know how much, which will be transferred back to the province. I have no doubt that they will look after it just as effectively as we would be able to look after it, and perhaps even more so, because they have the timber areas adjoining.

Mr. FRASER (Peterborough West): What I was afraid of was that the province might get in there and make a slash through this timber, which would be a detriment to the park. Some restriction should be put on, so that they would have to keep it in good shape.

Mr. CRERAR: We cannot put on any restrictions when we return the land to the province, but I do not think my hon. friend's concern in that regard is very sound. I have no doubt that the province will look after this area, and this transfer will not affect the remainder of the park in any event.

[Mr. Crerar.]

Mr. NICHOLSON: There is some value to the point just made by the hon. member for Peterborough West. There is the further point that very often, when areas are thrown open for farm settlement, the fire hazard increases. I am not familiar with this portion of the park, but I think some precaution should be taken to see that the park forest should not be endangered by land settlement which might be carried out by the provincial government.

Mr. CRERAR: I do not think there is any foundation for that fear, either. As a matter of fact, settlement does adjoin the park now over a considerable length of its boundaries, and our experience has been that there is very little danger of fire originating on farms adjoining the park. It is of interest to note that it is estimated that 80 per cent of the forest fires in Canada are what are described as man-made fires. The remaining 20 per cent may be due to natural causes, such as lightning. The higher percentage would be due to carelessness on the part of campers and people travelling through the forests. That is what we have to guard against within the park boundaries. Someone smoking a cigarette may be driving along a road in an automobile. When the cigarette is half consumed it may be thrown out of the window of the car, and start a fire which may do a great deal of damage. That is the sort of thing we have to guard against in patrolling these park areas. I might say there is a road which passes through this swampy timbered area which we are returning to the province. It passes through the park down to Montreal lake to get into water courses which go away back into the Lac la Ronge country.

Resolution reported, read the second time and concurred in. Mr. Crerar thereupon moved for leave to introduce Bill No. 20, to amend the National Parks Act.

Motion agreed to and bill read the first time.

TRANS-CANADA AIR LINES

EXTENSION OF INITIAL SUBSIDY PERIOD—CHANGING OF FIXATION-OF-RATES PERIOD

Hon. C. D. HOWE (for the Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to amend the Trans-Canada Air Lines Act, 1937, changing the period for the fixation of rates for the current year, as defined in the act, and extending the initial period during which a subsidy may be payable to Trans-Canada Air Lines.

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

Mr. HANSON (York-Sunbury): Would the minister make an explanation now, or shall we ask questions later on?

Mr. HOWE: I should be glad to explain. The bill to be based on this resolution has the effect of further extending the date after which the rates for the carriage of mail by Trans-Canada Air Lines will be fixed automatically by the financial results of the preceding year. Our difficulty in applying the automatic feature is that the traffic is growing very rapidly on Trans-Canada Air Lines, and the mileage operated is growing to meet the requirements of the traffic.

In the year ended December 31, 1940, about 5,000,000 miles were operated by Trans-Canada Air Lines, and the plans for the fiscal year 1941-42 call for the operation of well over 7,500,000 miles, or more than 50 per cent increase in the mileage flown. Of course the greater mileage and the increasing traffic increase the operating profits of the company. Based on the operating results of last year, the automatic feature of the bill would fix a rate of fifty-three cents a mile for the mail rate for 1940-41. We feel, however, that in view of the increased mileage and the steady increase in business on the line we can do rather better than that for the post office, and the objective will be to fix a rate of not fifty-three cents a mile but forty cents a mile, as the basic mail rate, which is a reduction of course from sixty cents a mile to forty cents.

Last year the earnings of the air lines, after all write-offs and interest on investment, was something over $500,000. This year it is anticipated that the earnings from air mail based on the increased mileage and the 40-cent rate will be $3,153,000. The passenger revenue will be $2,170,000. Miscellaneous revenue, comprised chiefly of express, will amount to $250,000, giving a total gross revenue of $5,573,500. Operating expenses are anticipated to be $5,315,477, giving an operating income of $258,032, less interest on capital, and other income charges, of $197,500. That leaves us with an estimated surplus of $60,523.

Mr. HANSON (York-Sunbury): After depreciation?

Mr. HOWE: Yes; depreciation is an operating charge.

Mr. HANSON (York-Sunbury): What is it figured at?

Mr. HOWE: At 25 per cent of the value of the aeroplanes, engines and flying equipment; I believe the rate is 10 per cent on the buildings. I might say that throughout the period of the operation of Trans-Canada Air Lines we have had a steady increase in the poundage of mail carried, subject to seasonal variations. Over an average period the increase in the amount of mail carried has been at the rate of 4 per cent per month, a very steady increase. Anticipating that this increase will continue throughout the fiscal year 1941-42, we have reached the point where the post office will almost break even on revenue as against expenditure, counting four cents of the six cents charged for air mail as revenue to the air mail, and two cents as the cost to the post office for the collection and distribution of the mail. A very slight increase in mail beyond the normal increase will balance the books, and we anticipate that in the following fiscal year the post office will make a profit on the sale of air mail stamps.

Mr. HANSON (York-Sunbury): On the basis of forty cents?

Mr. HOWE: Yes. We have also brought the cost of carrying air mail down to about the level that is current in the United States. I may say that this is something of a freak, because our equipment costs us about 50 per cent more than similar equipment in the United States, since we pay duty, sales tax and all other charges on the equipment when we bring it into Canada. Also we are charged higher rates for gasoline than are paid by air lines in the United States.

For purposes of comparison, the mail rate on the Trans-Continental and Western Air Line, from New York to Los Angeles, via Chicago, is forty cents a mile; on the Canadian Colonial Airways, from New York to Montreal, forty cents per mile; on Northeast Airlines, from Boston to Caribou, Maine, thirty-six cents per mile; and on Northwestern Airways, Minneapolis to Winnipeg, thirty-seven cents per mile. Therefore, while passing through the development period, in the brief time Trans-Canada has been in operation we have succeeded in getting the mail rate down to a comparable basis with similar services in the United States. We have succeeded in building up a volume of mail much more quickly than had ever been anticipated. When we started the line we anticipated that five years must elapse before the post office could break even on its operations, but we are on the point of achieving that in about three years' operation, and we shall have at the end of the year a service that, I think, will be adequate for the business of Canada. Of course, this will always be an expanding service, but at the end of this expansion the changes will be more normal and the automatic feature of the act will then operate quite properly.

This bill makes one other change in the situation. The fiscal year of Trans-Canada Air Lines is the calendar year, and formerly it was provided that any change in rates would take place on January 1, but there were operating difficulties in getting the data to fix the new

rate on January 1. It usually takes from one month to six weeks to close the books of Trans-Canada, and there was also the difficulty of the post office budgeting for a fiscal year when there might be a change in the rate in the last three months of the fiscal year. Therefore, the bill provides that hereafter the rate established under the automatic feature for the carriage of mail shall extend from March 31 in one year to March 31 in the following year.

Mr. HANSON (York-Sunbury): What the minister has told us of this bill and the effect of last year's bill would seem to indicate that the automatic rate fixing structure in the statute as originally passed was entirely out of line. Is that about the effect of it?

Mr. HOWE: It is out of line when there is a very rapid expansion of the mileage, but there will come a time, and it is coming I think after this year, when I do not think we shall have to ask parliament for such extensions because the mileage will be reasonably stabilized. There will be the matter perhaps of an extra trip on a given route or a short route may be added to the mileage, but that will not seriously affect the automatic feature. A fifty per cent addition such as we anticipate this year would, of course, increase the earnings to a point where the automatic feature would not be fair to the post office.

Mr. HARRIS (Danforth): Mr. Chairman, it is a matter for congratulation that Canada has made such headway and achieved this fair amount of success in the operation of Trans-Canada Air Lines. A good deal of that success, as the minister probably admitted in his statement to-night, has been due to the fact that so far as financing is concerned the post office has helped out very considerably.

The minister was good enough to give a few of the rates that apply on certain runs in the United States. The rates he quoted were in the neighbourhood of forty cents a mile, with one as low as thirty-six cents. Perhaps, before we pass this bill, the minister, who no doubt has the information before him, will tell the committee if there are rates in force in the United States as low as nineteen cents a mile.

Mr. HOWE: They are not comparable rates.

Mr. HANSON (York-Sunbury): Rates caused by competition, perhaps.

Mr. HOWE: Yes.

Mr. HARRIS (Danforth): Take, for instance, the average rate for the carrying of mail in the United States. I would not want the impression left upon the committee that we were carrying our mails at a lower cost than that which obtains in the United States. As I say, I am not complaining. I think it is a matter for congratulation that the Postmaster General was able to get this legislation before the house and get the rate down from the very high rate of sixty cents. The observation I made on a previous occasion I repeat now, that when the balance sheet was struck, with a rate of sixty cents; when depreciation charges were provided for, and quite substantial depreciation charges, in some instances as high as twenty-five per cent, and when interest charges were taken care of, the statement was made that they had earned big money, and I notice that the minister in his statement said, "Our earnings will be such and such". Quite so, so far as bookkeeping earnings are concerned. But is it real earnings so far as the consolidated balance sheet of the Dominion of Canada is concerned? The word "subsidy" has been used, and I think it would apply to a degree.

Mr. HOWE: It is quite an improper use of the word "subsidy."

Mr. HARRIS (Danforth): Very well, we will reserve our opinion with regard to that. It certainly is not now a subsidy to the same degree as obtained previously. Previous balance sheets showed as much as $2 revenue received from the post office till as against $1 for the carriage of passengers. The post office will contribute $3,153,000 and the passenger service, $2,170,000, with a few miscellaneous services which do not affect the picture. I look forward to the day when passenger and other revenues will be sufficient to equalize at least the post office—I shall have to find a new word for subsidy—contract, we will call it. I am gratified to note that there has been a continual increase in the amount of business, an increase of four per cent on the average, but I think that is not enough.

Mr. HOWE: Four per cent a month.

Mr. HARRIS (Danforth): That is forty-eight per cent a year. That is a good record. But we shall not be able to keep that up beyond a few years.

As to passenger travel, we have had a minimum of accidents, and I say to the minister that those of us who feel disposed to look into the work of the department and offer constructive criticism must not be charged with being parties to wanting to demoralize the service, as it were, or not giving it all the attention required, with the result that now and then there may be accidents. Gasoline costs are higher, and then there are sales tax and all these other charges to be taken care of. But more and more attention should, I believe, be given by Canadians to the service given

by Trans-Canada Air Lines. It is a good way to travel, and I should like to see more members of the Canadian House of Commons using this service.

I saw a skit in a Toronto newspaper of Friday, March 14, which read:

A member of a reserve unit writes, re transportation for the soldiers:

"If there is room on the train for big fat politicians like Joseph Harris, there should be room for people like these boys."

That will be found—I hope the press is listening—in the issue of Friday last.

Mr. HANSON (York-Sunbury): What paper?

Mr. HARRIS (Danforth): The Toronto *Telegram*. I am not complaining at all, because every knock is a boost, as we all know, otherwise I probably could not have answered the roll call for two decades.

Mr. HOWE: They have said worse things than that about some of us.

Mr. HARRIS (Danforth): I merely wanted to point out the irony of that suggestion because, in order to be here after completing a day's work in Toronto, I was privileged to ride to Ottawa by plane, and pay my fare. And this is the newspaper report I find when I get here.

Mr. MARTIN: That would not be the first mistake which that paper has made.

Mr. HARRIS (Danforth): I suggest to the government that it might cancel all these passes. I say to my friends the press that this is the sixth time I have urged in the House of Commons the cancellation of all passes, so that the railways would come that much nearer to balancing their budget; yet I got a telephone call on Monday last from Trans-Canada Air Lines to my office, asking me if I would pay my fare or whether I was travelling on a pass.

Mr. HOWE: My hon. friend never was asked that. He is mistaken. There is a policy under which $300 is paid and put in a credit and charged to the passenger's account. Nobody travels with a pass on the Trans-Canada.

Mr. HARRIS (Danforth): The question asked was, was I travelling on a pass or was I paying my fare. I am not complaining about the question. They have a right to ask it because, as I understand it, those who travel on passes on the Trans-Canada Air Lines have to take second place to those who pay their fares.

Mr. HANSON (York-Sunbury): I understand there are no passes.

Mr. HARRIS (Danforth): The minister can correct me if I am wrong. I understand that, if there is a spare seat, a person who rides free can have it. If all the seats are taken by paying passengers, those who travel on passes have to wait. That is quite a proper provision, but I would go further and cancel all passes on the Trans-Canada Air Lines. That is only by the way; it gave me an opportunity to reply to a suggestion which I noticed with some pleasure in the press.

Mr. REID: The cost would not be so light to British Columbia as it is to Toronto.

Mr. HARRIS (Danforth): Quite; and following up the point the hon. member has raised, as far as railway and aeroplane passes are concerned this house should deal with the matter in a businesslike way, the same as any industry, and pay a voucher, in the case of any hon. member travelling on government business, whether he comes from the Yukon or Halifax. Then we would be all on a parity. It would, however, stop a lot of joy-rides.

Mr. REID: Cut them all out.

Mr. HARRIS (Danforth): Yes, when an institution is not making money, and Canada has to foot the bill.

I should like the minister to explain what effect will the changing of the date have. What rate applies? Does sixty cents apply to the end of December, and forty cents from then on, or does sixty cents carry through until the end of March?

Mr. HOWE: Answering the question of my hon. friend, the sixty cent rate carries through to the 31st of March, and the forty cent rate obtains for the fiscal year, April to April.

Mr. SLAGHT: Just before this resolution is passed, as I assume it will be, I rise to pay to the minister who introduced it what I believe is a well-earned tribute for his development and administration of this difficult service. I shall spend only a moment on it. I know something of the story. It fell to the lot of our minister to take on this task while he was Minister of Transport, administering the department of railways, the department of marine, and what is sometimes described as that other department, radio. He was in competition with four east and west air lines in the United States, nearly all of which had been established for ten or eleven years, tapping a business, both postal and passenger, with which our sparsely populated country furnishes no parallel whatever. In the administrative personnel that he selected and in the operating personnel that

he selected, barring one misfortune of recent date which appears to have been one of those accidents for which no one could be held responsible, the administration of this service and the place it now occupies in the east and west traffic of this continent are remarkable. There is one man more than any other who is responsible for its success, and that is our minister who has had the responsibility for the work.

In addition to setting up the system, he has had to negotiate with the authorities at Washington regarding many intricate and difficult problems of air service between our country and the republic to the south. I had personally an opportunity of learning the respect in which the board at Washington hold our minister, and the success he has had in these delicate and difficult negotiations. I believe that I am speaking for almost every hon. member in taking this opportunity to pay a measure of tribute to him for the big job he has done.

Mr. HANSON (York-Sunbury): I cannot pay an equal tribute to the minister—I see him blushing over there at the words of encomium from his follower—but I will take it for granted that everything said is correct and endorse what has been done. There is, however, one criticism about this service in the east.

Mr. MAYHEW: Don't spoil it!

Mr. HANSON (York-Sunbury): Well, I have a duty to perform. I shall do it as quickly as possible.

The Saint John *Telegraph-Journal,* which is the leading morning newspaper in New Brunswick, published on March 18 an editorial under the caption, "Our Unsatisfactory Air Service." I had no idea that this matter would come up to-night, but I am going to read this to the minister and then leave it with him, in the hope that he will draw it to the attention of the officials of Trans-Canada and see if something can be done.

It is not based on the fact that the terminus has been changed from Moncton to Halifax. Our friends, I think, put over rather a fast one on the hon. member for Westmorland. I suppose that while he slept, they were working. Personally I believe it will do no harm to anyone to have the terminus at Halifax; in fact, I regard it as a logical growth of the system. It may hurt the pride of Moncton a little bit to feel that they are no longer the eastern terminus of Trans-Canada, but they are going to be served by Trans-Canada as well as and perhaps better than they have been in the past.

[Mr. Slaght.]

This is the voice of Saint John, and of course some of us must pay attention to it. Here is the complaint:

> Changes in the Trans-Canada airways service east of Montreal, under which the large passenger liners which hitherto stopped at Moncton will soon be continuing on to Halifax, will leave the large port city of Saint John and New Brunswick's capital city of Fredericton in the same unsatisfactory position as they have been since the T.C.A. lines were extended to this province. Prior to their advent there was a service between Saint John and Halifax which is not now operating. The plan just announced at Ottawa is to the effect that early in April the Montreal to Moncton plane, after stopping at Moncton, will continue on to Halifax, thus doing away with the transfer at Moncton to a smaller plane. The return trip from Halifax will also be via Moncton. So far as the situation as regards other important places in New Brunswick is concerned, it remains exactly as it was—practically no air service. Fredericton has no connections at all, and Saint John is on the end of a so-called feeder line which makes connections at Moncton to and from Montreal, but no connections with Halifax. Air mail from Saint John to Halifax is flown to Moncton in the afternoon, but it arrives too late to connect with the Halifax plane, and must go on from there by train.

That seems to me a cause of complaint which could perhaps be easily remedied if the Postmaster General, who, I know, is alert in the discharge of the duties of his office, would give ear to that complaint and have that plane started a little earlier in order to have it make connection with the Halifax plane. If that were done, that complaint would be done away with.

> Likewise, mail from Halifax is brought by train to connect with the aeroplane for Saint John.

I do not understand why that is. I should think that the mail would come up by plane and be transferred there. There ought to be some cooperation with the feeder system.

> The same situation exists with regard to passengers. If a person wants to fly from Saint John to Halifax, he is obliged to remain overnight and until early the next afternoon in Moncton, and adopt the same procedure on the return trip. In other words, it consumes two full days to make the return trip.

I have not checked on that, but I think it is true. Of course that is an impossible situation with regard to aeroplane travel between the two Atlantic cities. This, then, is the complaint of the newspaper:

> It is about time that some serious consideration was given to this thoroughly unsatisfactory situation. Here are the two principal cities on the eastern seaboard, between which there is an increasing commercial traffic, virtually without air connection, and the capital of this province entirely omitted from the plan.

Well, in Fredericton we are used to that. Unfortunately, we have never been on the main line; nevertheless we are very happy

indeed, and some day perhaps we shall get aeroplane connection. I have no high hopes in the immediate future, but I will revert in a moment to a situation which may help to remedy that. The article goes on:

Many efforts have been made to remedy this deficiency but all to no avail. Now that something is being done to improve the service between Montreal and Halifax, the matter of a service between Saint John and Halifax and connections with Fredericton deserves immediate consideration.

I think the situation between Saint John and Halifax ought to be remedied within a reasonably short space of time. I cannot see very much hope for air connection with Fredericton. I do not believe the traffic presently offering would pay for a feeder service. It may be that in time it will be developed, but I have had some conversation with the minister with regard to the development of the Blissville air field. That was established by the late government as an emergency landing field. It is on the beam between Moncton and Montreal. It is only thirty-five miles from Fredericton and about the same distance from Saint John. I hope that the government will do something this year, and I entertain high hopes in that regard from what the minister has said about developing that field, so that planes can land there with a much greater degree of safety than at the present time. There are no runways. The field has been cleared and put into shape and it ought to be extended somewhat, and some runways built. I hope the minister will give consideration to having Blissville established as a permanent port of call, or at least as a flag station. Perhaps that is a fair thing to ask for at the start. If business is offering between Montreal and Moncton, then I hope he will consider having the Blissville air field established as a port of call if, as and when it is required. That would be, as far as I know, the only solution of the problem of aeroplane service as between Moncton and Halifax on the one hand and Montreal on the other, in respect of Fredericton at least.

I do not think the cost of building an air port at Blissville would be very great, and of course it would be a great convenience to a great many people, who could utilize it to get to Montreal quickly by evening plane. I believe that one reason why it has not been pressed for before is that we have an excellent train service from western New Brunswick to Montreal. You leave in the evening and are in Montreal the next morning. Being now at the advanced age of sixty-two, and not being air-minded, I find that method of transportation quite good enough for myself. I have never thought I had any business up there; my wife tells me the same thing, and I am not proposing this on my own account. I am quite content to travel in the good old-fashioned way, but I seriously suggest to the minister that he give some consideration immediately, if he will, to this complaint about lack of connection for both air mail and aeroplane passenger service between Saint John and Halifax.

There was an airways company which operated a plane service on a triangular basis covering Moncton, Halifax and Saint John. I would suppose that company could not continue. I believe they do the Island work, with certain flights to the Magdalen islands and they are open for charter; but that service will not continue, at least not without some kind of mail subsidy, and I assume, from the arrangements made with Trans-Canada, that this is out of the question now so far as Saint John and Halifax are concerned.

I do not think it is asking too much to have a decent feeder service between Saint John and Moncton so as to take advantage of their planes. I would ask the Minister of Munitions and Supply, who has the aeroplane situation under his guidance, and the Postmaster General to put their heads together and find a solution of this problem. If they do not, they will hear more about it at a later date.

Mr. HARRIS (Danforth): There is one further question I wish to ask, for the hon. member for Peel (Mr. Graydon) of the Postmaster General. At Malton there are, to my knowledge, no post office facilities, with the result that air mail going from Ottawa or Montreal to Toronto goes to Malton, and from Malton it takes it an hour to get to the general post office where it is sorted for dispatch to its destination. The net result is that it is almost as quick to send mail in the ordinary way from Montreal to Toronto or from Ottawa to Toronto as against the air mail facilities. It would be of advantage if some post office arrangement were made at Malton, or air mail directed there so that, if picked up there, there would be a considerable saving of time and more of the mail service between those points would be used.

Perhaps the minister in charge of this matter would be kind enough to let the Postmaster General put on record the position, and if he feels so disposed, the other question also with regard to the rates obtaining in the United States other than those the minister put on record. The statute of 1937 definitely says that this rate is a matter of negotiation between the Postmaster General and the minister of the department administering the Trans-Canada Air Lines. We have the Trans-Canada Air Lines point of view on record with regard to these negotiations. Would the

Postmaster General put his point of view on record, and how he came to agree to the 40-cent rate? I realize that it is lower than the fifty-three cents which might have been payable, but at the same time I can visualize that he had some difficulty in reducing a rate from sixty to forty cents, and I think that ought to be put on record.

Mr. MULOCK: I shall be glad to discuss the question of putting postal employees at Malton with the official in charge of air mail, and also with the hon. member.

Regarding the second matter, that of the attitude of the post office towards this rate, I may say that we are well satisfied with the arrangement that we have been able to make with Trans-Canada Air Lines. The minister in charge has been very cooperative, has given us every possible assistance. We sat down with officials of each department and worked out what we thought was a fair rate.

Mr. HARRIS (Danforth): And saved a million dollars for your department.

Mr. MULOCK: That was one idea, I may tell my hon. friend. So far as the post office is concerned, naturally we would be glad to have the rate reduced still further, but I think he will agree that Trans-Canada has made an excellent showing and that the post office has made a pretty good bargain in getting a reduction from sixty cents to forty cents in one year.

Mr. HANSON (York-Sunbury): It all depends on whether sixty cents was too high before.

Mr. MULOCK: Still, it is a substantial reduction. If we could be so fortunate as to reduce some of our debts and taxation in the same measure, it would be very satisfactory.

Mr. HARRIS (Danforth): What is the grand average for the United States?

Mr. MULOCK: It depends what lines you take. I think that is a matter for the Minister of Munitions and Supply to deal with. I do not want to encroach on his department.

Mr. HANSON (York-Sunbury): It is fair to state that a number of these rates in the United States are established by competition between air lines which want the distinction of carrying the United States mails. They seem to think there is something in that. I understand that some rates from New York south are as low as nineteen cents.

Mr. JACKMAN: Would the minister endeavour to settle a doubt which arises in my mind, and I am sure in the minds of many, in connection with the projected increase in flying miles from 5,000,000 to 7,500,000, an increase of 50 per cent. That seems almost incredible in time of war, and surely must interfere with our war effort. I noticed in a recent United States paper that the United States government through its proper agency was limiting the expansion of the airways in that country to a very modest degree. The air line companies were allowed to purchase only sufficient planes to replace those wearing out in the service and add in a very meagre way. Would the minister explain why it is necessary that the Trans-Canada should expand fifty per cent in this year 1941 when we know that planes are so badly needed, particularly the large bomber type which is used in the Trans-Canada service, especially in view of the fact that these planes must be purchased in the United States and that I believe in the last twelve or fourteen months we have used nearly a million dollars of United States exchange in the purchase of these planes.

If there is a demand for aeroplane transportation in war business, either passenger or mail, surely we can use the existing facilities for the very necessary purpose of expediting the war effort and raise the mail rate from six cents to twelve cents, or whatever rate might be feasible, and also raise passenger fares which at present are not very much higher than railway fares. It would appear that Trans-Canada Air Lines are making severe competition for the railways as to passengers and for the post office as to ordinary letter mail, when the air mail postage rate is only six cents as against three cents. If it is so necessary that war business be carried by air, surely we could, by raising the rates, eliminate much unnecessary other business in these trying times.

Another question, which is perhaps slightly divorced from those I have mentioned, is this: We all feel that the Minister of Munitions and Supply, under whose aegis the Trans-Canada Air Lines come, is a much overburdened man. He was good enough to tell me privately why it was that Trans-Canada Air Lines continued under his jurisdiction. I am sorry to say, however, that his statement did not sufficiently impress itself upon my memory, although I think I understood it at the time. It would be of interest if he would explain why it is that he as one of the busiest members of the cabinet still keeps Trans-Canada Air Lines under his jurisdiction.

Mr. HOWE: I think my hon. friend's first question was whether the contemplated expansion in mileage would interfere with the war effort. I would say that at least fifty per cent of our business is in connection with those travelling up and down the country on war business. It is a very great convenience for people to be able to get in a plane in the

morning, come to Ottawa, do their business and be back home the same evening, as many do. It is a great convenience to be able to telephone a man in Vancouver and have him in Ottawa next morning to discuss the business we have in hand.

We bought six planes this year, but they were bought out of the depreciation fund of the Trans-Canada Air Lines. No new capital was involved. Of course the purpose of a depreciation fund is to make sure that we do not end a certain period with no equipment. The purpose of the fund is to keep the equipment up to a standard.

Mr. JACKMAN: But you bought six new planes; you could not keep your full number of old ones and add six new ones out of depreciation.

Mr. HOWE: Yes; the age of the old ones was getting on, and as we take them out of service we add new planes. We had at one time a fleet of fifteen planes; we lost one in an unfortunate accident; we have fourteen old planes and six new ones. The old planes are about three years old; they have a theoretical life of four years, and we have six of a larger and more expensive type bought to replace those planes. Of course it is desirable not to have all your planes bought the same year but to stagger them so that some end their theoretical life each year. However, as I say we have not changed the capital of Trans-Canada Air Lines. The capital invested is $3,250,000, and it is not anticipated that additional capital will be required at any future stage.

Mr. JACKMAN: We cannot purchase these planes for use against the enemy and at the same time use the planes in Canada.

Mr. HOWE: I can assure my hon. friend we are purchasing a good many planes both for training and for use against the enemy.

Mr. JACKMAN: All we can get, I should suggest.

Mr. HOWE: What was the next question?

Mr. JACKMAN: The minister's answers do not quite satisfy me. I feel, as I am sure we all do, that every available plane should be used overseas. There has been a shortage of planes; we all know that production in this country has not been all that we hoped for, and here we are using what I might term the very lifeblood of the country for a purely domestic service. At the same time we are using United States funds for the purchase of these planes, which means that these funds are not available for the purchase of planes or other war equipment which could be used in the first line of defence across the ocean. For that reason I think we should go as easily as possible in the expansion of this service during this extremely critical period. I know that Trans-Canada Air Lines has had a splendid record, but from the experience of many who have used it I feel that they could have travelled by train just as easily. The great centres of industry are in Quebec and Ontario. If a man from Toronto uses a plane, it merely means that he sleeps at home rather than on the train, so there would be no very great loss of time if he travelled by train. The same thing applies to a man living in Montreal. It is true that this service is a great convenience to anyone going to the Pacific coast; but there, as we have heard so often in this house, there is not a great deal of war industry. For these reasons I feel that this committee should seriously consider this great expansion of Trans-Canada Air Lines at this time.

That was one of the points I raised. I also suggested that if it should be considered necessary to confine traffic on the air line to the war effort, as it were, the rates should be increased so that unnecessary commercial and pleasure traffic could be eliminated and the available space left for those people who really have a vital need to use these planes. That was my second point. The third question was why the minister should keep this department under his jurisdiction together with the very important work he is doing in connection with munitions and supply.

Mr. HOWE: It is necessary to maintain transportation facilities in this country even though we are fighting a war. We are buying box cars, passenger cars and rolling stock all the time. We are buying equipment to haul tourists to Banff and Lake Louise from points in the United States, and we are purchasing aeroplanes so that we may bring tourists from New York to Toronto and open up new routes of that kind. We must maintain our communications in this country. If they are necessary in peace time they are even more necessary in war time; and I think the capital cost of these planes in United States funds will be only a small fraction of the United States funds which will be brought into Canada by the run between Toronto and New York.

As for rates, the act requires that the rates charged in Canada shall be competitive with the rates in the United States. As a matter of fact, they are exactly the same, both for mail and for passenger traffic, except that we collect in Canadian funds and across the line they collect in United States funds. It would be quite impossible, of course, to have a rate for air mail in Canada different from the rate for air mail in the United States,

because the two are readily interchangeable. That would only make more confusion. Similarly, in my opinion, the passenger traffic should be competitive.

As to why I kept the department under my jurisdiction, I did it as a matter of convenience. I was Minister of Transport at the same time that I was responsible for the war supply board. A considerable part of the work at that time had to do with the construction of a number of air fields across Canada; that is still an important part of the work. In the Department of Transport we had developed a large, highly trained staff familiar with the work of locating, designing and supervising the construction of airports. When I left the Department of Transport I thought it would be a very great convenience if I could retain the use of that staff. There was also the fact that the radio control at military airports is the same as the radio control at civil airports; and there again we had a staff well trained in the installation and operation of the controls. It was a convenience to have that staff associated with the department that was building the military controls. The department of air services is a unit; the same technicians serve the radio department, the meteorological department and the air regulations department. In taking one branch of that service, it is practically necessary to keep the three together. As a matter of fact, the meteorological work is very closely associated with the work of military airports, in that we have a man from the weather bureau at each military airport, and we also have teletype communication between the central weather service and the military airports. This department was taken over as a matter of convenience. If I do not object to the strain, and if hon. members do not object to the service the branch is giving, frankly I do not think it is anyone's affair very much, except the government's as to who has the department.

Mr. HANSON (York-Sunbury): Before the minister leaves that, would he not say a word of encouragement about the matter I brought up, namely, the service between Saint John and Halifax, both air mail and air passenger.

Mr. HOWE: Yes, I should say something about that. We have had difficulty in working out a satisfactory service to the maritimes, but gradually we have been able to iron out those difficulties. The first difficulty we had was that with only one trip to Moncton it was hard to satisfy both the passenger service and the air mail service. Obviously the best mail service to the maritimes should involve a late evening departure from Montreal, a departure after six o'clock from Toronto and an early morning arrival in Moncton, so that the mail could be landed in the three large maritime cities in time for the first delivery. That would suit the mail very well, and we tried that service, but we found that the passengers did not care to travel at night. Therefore we took the alternative of satisfying the passengers. We have now a morning departure from Toronto, a departure before noon from Montreal and an arrival in Moncton which brings the mail to the maritime cities too late for distribution the same day. That is not satisfactory from a mail point of view, although it seems to be satisfactory from the passenger point of view. This year, however, traffic has developed to such a point as to warrant both services, and this year I think we shall be able to satisfy both the mail and the passenger requirements.

Mr. HANSON (York-Sunbury): That is on the through service?

Mr. HOWE: Yes. We have had difficulty with the short run from Moncton to Saint John. It is a difficult run. It is too short to warrant the exclusive use of an aeroplane, and it has been worked in on other services. I will admit at once that it is not at all satisfactory to the city of Saint John, but I would state also that when the Moncton airport can be put in condition, a much more satisfactory service to Saint John and Fredericton will be possible.

Mr. HANSON (York-Sunbury): Does the minister mean the Blissville airport?

Mr. HOWE: Yes. I would, however, point out to my hon. friend that to make a first-class field out of Blissville is a serious job. It is not difficult to make a runway in one direction, but it is difficult to get a runway of the proper length in the other direction. We are studying the matter.

Mr. HANSON (York-Sunbury): I had somewhat different information from that of the engineer.

Mr. HOWE: No; parallel to the track it is not difficult to extend the runway, and that is the runway which would be most used. But to get across the runway 4,000 feet is very difficult, because you run back into a heavy excavation. I am hopeful that we shall be able to satisfy Trans-Canada with the improvements we can make this year, and get a stop there by autumn. If we can, it will improve the situation materially. But we have to let Trans-Canada be the judge as to whether or not they would be justified in making the stop. We hope to be able to satisfy them with the Blissville field.

Our difficulty in getting into Halifax was the conflict with the air force operational authorities. Some strenuous objection was

made to our coming into their area of operations; but experience has shown that the two services do not seriously conflict. We have another problem in the maritimes, namely, the service to Sydney. Of all the maritime cities, probably air service would be more beneficial to Sydney than to any other, because it is a long rail trip from Moncton.

Mr. HANSON (York-Sunbury): That is quite right.

Mr. HOWE: We are studying that service, and we hope that before the summer is far advanced, we shall have a service from Moncton not only to Prince Edward Island cities but also to Sydney. These are problems we are working hard to meet. Of course it has taken a few years to build these air lines, and they are not perfect yet. But I can assure my hon. friend that we appreciate the problems of the maritimes and appreciate that our service is far from perfect at the moment. We will, however, improve it as rapidly as funds will permit.

Mr. CHURCH: Mr. Chairman, the work of the Trans-Canada Air Lines must be considered from the commercial aspect, whether it be for the carrying of passengers or mail. This is a luxury service. When we survey the figures for last year of $3,150,000 from the post office and $2,170,000 from passenger service, we see at once that ever since the air service has been given, the Toronto post office has not been receiving the ordinary postal service it used to receive. All this arises as a result of giving this luxury air service.

After all is said and done, the average business man, the retail grocer, or the wholesaler, or the householder, is interested in the main function of the Toronto post office. I have had dozens of complaints since Trans-Canada Air Lines began operations, all to the effect that the other local services are being starved so that this luxury service may be given. For instance, Toronto, with its eight million postal receipts, should have one-cent drop letters, but we do not have that privilege. Then, labour conditions in the post office service at Toronto are deplorable, and should be changed and bettered. In fact, I have fifteen or twenty letters I shall show the minister which would indicate that the department has set up, in effect, a sweatshop, all as a result of starving the original post office services to carry out the functions of this luxury service, and use the receipts of the Toronto post office for outside purposes.

In the residential districts letters are not received until the first mail delivery at eleven o'clock or eleven-thirty in the morning. In the business district the department is not giving the service it used to give. Whether it be the Trans-Canada Air Lines luxury service, or some other part of the service, the Post Office Department is a public utility, and it should give an up-to-date and efficient service equal to that given by the Bell Telephone Company, the Consumers Gas Company, or any other public utility. The Post Office Department should not live in the past. It should give us the proper service and permit its employees to work under reasonable conditions of labour, as to hours, holidays, overtime and work conditions. In fact, I would ask the Minister of Labour to look into labour conditions in the Toronto post office district I have indicated. They are deplorable, and there should be an inquiry into them. The men have to work long hours, and usually have to work at least part time for holidays. Then they work shifts, part at night and part in the day time. Some work at night all the year round, and have been doing that for several years. The schedules should be revised.

I contend that the Toronto post office service has been starved for outside places. We cannot get the service because, by bookkeeping or otherwise, the revenues are diverted to another account known as the luxury service elsewhere. The heads and staff are excellent. I am not here to complain about air service; it is a splendid service, and I believe it will be better in the future. But I do wish that the money might be utilized so that the post office might give better work conditions and wages, and a better service to the residential and business areas in Toronto, so that we might have drop letters, and services along many other lines.

In my opinion, this Trans-Canada air service is a public utility, and should be run from the commercial aspect. The rates should meet all maintenance and operational charges, and if they are not doing that, some other older branches of the service are going to be starved, and labour conditions are not going to be what they should be.

Mr. MULOCK: First of all, I should like to ask the hon. member for Rosedale if I understood him correctly: Did he advocate an increase in the air mail rate from six cents to twelve cents?

Mr. JACKMAN: I suggested that if Trans-Canada Air Lines was necessary for the carrying on of our war effort in Canada, it might be possible to eliminate some of the surplus passengers and mail now being carried by Trans-Canada Air Lines, and that this might be done by raising the rate. That is the ordinary way in which we eliminate all unnecessary things, and maintain those which

are essential. Passengers could pay more, because the rates on Trans-Canada both for mail and for passengers are extremely low. The mail rate competes with the rate on ordinary mail, being only six cents as against three cents and the rates on railway trains are almost as high as they are on Trans-Canada. I suggest that if we must confine the operations of Trans-Canada Air Lines to important war services, this can be done by raising the rates.

Mr. MULOCK: I suggest to the hon. member that he is accurate in one statement, namely, that he would eliminate air mail, or a great part of it. He would, however, add another problem; he would add a tremendous deficit to the Post Office Department. I might say that I should like to do something toward making it a paying department, rather than one which is losing money. I believe, if the hon. member would reconsider his suggestion, he would see at once that it is not one which would help the revenues of the department. Certainly it would not be of any great assistance in increasing the volume of business. It is the volume of business which makes it possible for Trans-Canada to operate. I hope he is not seriously suggesting that we should stop our air mail service at this time. If the policy of dismemberment which once took place were continued, I might say that we would not have the air fields available in Canada to-day, air fields which are available because of construction by Trans-Canada Air Lines. Those air fields are available for purposes of training, and for the defence of the nation. I believe the hon. member, in the interests of both air mail and defence, would do well to reconsider his suggestion, because it is the financing of this volume of business which makes it possible to run Trans-Canada Air Lines.

I would say to the hon. member for Broadview that I most definitely disagree with him in respect of his observations regarding service in Toronto. I have no doubt that in a city of that size there will be some complaints. Certainly there is not all the service he would like to have or I should like to have; but he knows very well there is a war on. Is he seriously considering that we should again increase the number of deliveries in Toronto at this time? I think not. There are already many deliveries, depending on the districts being served.

I explained to the hon. member some time ago that unfortunately some of our men were off work, because of sickness. They have been replaced by new men. It must be obvious that new men going over routes cannot carry out their duties as rapidly as men who have been doing the work for a long time, and who have known their routes and their deliveries over a period of years. I would point out another thing to the hon. member, that many of the employees of the Toronto post office have joined the armed forces of this country, and new men have to be broken in to take their places. The men have to learn new routes. There is one other point I might mention, and here the hon. member may not agree with me, but the roads and sidewalks in the city of Toronto have not been conducive to quick delivery. I think it is generally admitted that this has caused delay.

Mr. HANSON (York-Sunbury): Surely not!

Progress reported.

SUPPLEMENTARY ESTIMATES, 1941-42

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1942, was presented by Hon. J. L. Ilsley (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

BUSINESS OF THE HOUSE

Mr. HANSON (York-Sunbury): What will be the business to-morrow?

Mr. CRERAR: The second reading of the war appropriation bill.

Mr. ILSLEY: I understood that it was considered desirable to have the wheat matter dealt with and that to-morrow we should go on with the estimates which I have just now moved to be referred to the committee of supply.

Mr. CRERAR: My understanding was that the Prime Minister desired to have the second reading of the war appropriation bill taken so that the bill might get over to the senate. Several weeks have been spent in discussing the resolution stage.

Mr. HANSON (York-Sunbury): That will be the business to-morrow?

Mr. CRERAR: In view of the long discussion there has been of the resolution, I venture to hope that the house will pass the second reading of the bill so that it can be sent over to the senate, and after we have disposed of that, we might take up the legislation to which the Minister of Finance has just referred. I think the house should be prepared to take anything on the order paper, which contains some measures that are not of great importance.

Mr. HANSON (York-Sunbury): Before we adjourn to-night, can we have an understanding as to what the plan of the government is for proceeding with this whole wheat problem? I understand that the supplementary estimate brought down to-night is to take care of the proposed bonus, but that is only a very small portion of the whole question, and it seems to me that it should not be taken up piecemeal. Of course, I know the government can do what it likes.

Mr. GARDINER: The supplementary estimate is to provide for payments on reductions of wheat acreages under conditions prescribed by the governor in council, for administration expenses in connection therewith, and for temporary appointments that may be required notwithstanding anything contained in the Civil Service Act. When that estimate is up for discussion, the whole programme in connection with the making of payments on account of taking acreage out of wheat will be open for discussion, and that is the main part.

Mr. COLDWELL: Do we understand that there is to be no legislation on the wheat acreage reduction plan, but merely an estimate, and that all the regulations regarding payments will be made by the governor in council? It seems to me that this very important matter should be the subject of legislation, so that the house will have before it in black and white the actual proposals of the government in relation to this great problem.

Mr. HANSON (York-Sunbury): Hear, hear. Anything else will not be satisfactory.

Mr. DOUGLAS (Weyburn): Absolutely not.

Mr. GARDINER: There are ways in which the regulations themselves can be brought before the house and discussed. I would suggest that to follow the course now proposed would in all probability result in there being nothing done this year, if we are going to follow the usual process.

Mr. COLDWELL: I think there can be some cooperation in this matter, but certainly the house should have definitely before it the proposals of the government.

Mr. HANSON (York-Sunbury): If you want to get it through, bring down something definite.

Mr. ILSLEY: My hon. friend is very fond of making just that kind of remark. He has made it on several occasions.

Mr. HANSON (York-Sunbury): I am giving a friendly warning.

Mr. ILSLEY: It is not a friendly warning. It is a threat to obstruct if we do not proceed in a certain way.

Mr. HANSON (York-Sunbury): You can interpret it any way you like. The method of procedure which the minister proposes shows the intention to legislate by order in council, and the country will not like it. I do not like it and no other member likes it. Members supporting the government will not like it; the members from Ontario will not like it.

Mr. GARDINER: This is probably not the time to discuss it, but there are two or three ways open for dealing with the question. One way, of course, was to deal with it under the War Measures Act. We did not desire to proceed by that method because it would not have made it possible to have the kind of discussion here that members would want to have. I am quite sure that we can arrange for the kind of discussion and just as full a discussion as hon. members would have if legislation were introduced; and if the house will leave it at that until we come to it to-morrow, or whatever day we do come to it, we can have a full discussion then.

Mr. PERLEY: When the question comes before us, does the minister propose to make a statement himself outlining what we may expect if this goes through or will someone else have to make an opening statement?

Mr. GARDINER: I would hope to have an opportunity of making a statement.

Mr. McNEVIN: As a supporter of the government, I believe that this problem should be dealt with by legislation, which offers a much wider opportunity for a full review of the whole problem. It is a matter of great importance.

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

Friday, March 21, 1941.

The house met at three o'clock.

THE LATE F. C. CASSELMAN

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, hon. members will have learned with profound regret and also, I am sure, with a sense of shock, of the very sudden passing last night of one of our number, Mr. Frederick C. Casselman, the member for Edmonton East.

When the house assembled yesterday the hon. member was in his accustomed place in this chamber, and when the house reassembled

in the evening he was again here and, I believe, remained until after the resolution respecting the war appropriation bill had been passed and the bill itself had been introduced and received its first reading. He then left the Commons to go to his place of residence in Ottawa. As he was about to enter the door of the house he was overcome by a heart seizure and passed away immediately.

The very sudden passing of one who was only in his fifty-sixth year, one who in so many ways appeared strong and well, is evidence to us all of the great strain under which men who hold positions of responsibility labour in the discharge of their duties to-day. I doubt if any of us begin to realize how great is the burden upon the heart, as well as the mental and nervous strain borne by members of parliament who seek to discharge their duties as representatives of the people in these terrible times. So momentous have been the events of the past year that it is difficult to realize that it is less than a year since hon. members in this chamber were returned to the House of Commons by the people of Canada. Mr. Casselman, a supporter of the present administration, was one of the number who were elected to parliament for the first time in the general elections of March 26 of last year. He had therefore been a member of parliament for less than a year. He was of Canadian parentage, though born in the state of Montana. Only the first five years of his life were spent in the United States. He was educated in the province of Ontario, at Queen's University, at the university of Toronto, and later supplemented his education at the university of Alberta. He held degrees in both arts and law, and in the course of service overseas was awarded the Military Cross. He had been wounded in action.

In his chosen profession of law in the city of Edmonton Mr. Casselman gained a position of real prominence in the city. He was not content to devote his time merely to his profession. He gave evidence at an early age of his desire also to serve the public in disinterested ways. He began, as many men in public life have begun, by serving on the school board, a position he held for many years. Later, in 1937, he was elected as an alderman in the city council of Edmonton. This position he continued to hold up to the time of his death. The place Mr. Casselman had won for himself in the community, his character, his abilities, his attainments, all helped to gain for him the confidence of the citizens of Edmonton, who honoured him with the representation of one of the city's constituencies in this House of Commons.

As I have already indicated, Mr. Casselman's services were genuinely patriotic as well as public-spirited. When he went overseas in the last war as a member of the Canadian expeditionary force, he had enlisted as a private and served for two years with Canada's forces. Later he joined a regiment of one of the imperial forces and received a commission as a lieutenant.

Reviewing the career of one who was but fifty-six years of age, a career embracing public service to his municipality, to his province and to his country, both in its parliament and on its fields of battle, one feels that the nation is indeed poorer to-day through the loss of so public-spirited and patriotic a citizen. Had Mr. Casselman been spared, there is no doubt he would have played an increasingly prominent part in the public life of Canada. As it is, he has left a record of honourable services to his city, his province and his country with which his name will be long and gratefully associated.

The hon. member has left to mourn his loss, a widow and a daughter. It will be the desire of all members of this house that you, Mr. Speaker, should convey to Mrs. Casselman and her daughter an expression of the very deep sympathy which we have for them in their great bereavement.

Hon. R. B. HANSON (Leader of the Opposition): May I be permitted, on behalf of myself and my colleagues, to join in the sentiments of respect and sympathy which the Prime Minister has just so eloquently expressed. I had not the honour of Mr. Casselman's acquaintance but I had observed his work in the house. I understand he was a man who did his own thinking and who was capable of expressing his own view. He came, if I gather aright, from a stock that has been the very foundation stock of this country, the United Empire Loyalists. He served his country as a schoolmaster, as a professional man, as a gallant soldier and as a legislator. He must have had a full life. He himself probably would have said that he had no regrets so far as his public activities were concerned. It will be said of him that he was a scholar and a gentleman. I am sure that on this occasion the sympathy of all of us goes out to his loved ones.

I appreciate what the Prime Minister has said with respect to the strain to which public men and those in positions of great responsibility are exposed in these terrible times. I am going through that experience myself. Therefore I think we should all have a measure of charity in respect of each other's failings, remembering the strain and pressure that is upon every one of us.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, I wish in a few words to add my tribute to what has already been said by the Prime Minister and the leader of the opposition regarding my late colleague from the city of Edmonton.

I knew Mr. Casselman for many years in Edmonton and had been intimately associated with him. I know of the high esteem in which he was held. To a very great degree he has enjoyed the trust and confidence of the people of Edmonton, and lately in particular of the constituency of Edmonton East.

Mr. Casselman took a self-effacing but very prominent part in the public life of the city, serving with great distinction for many years as a member of the Edmonton school board, and latterly as a member of the city council. He did good by stealth, and his untimely passing is a very great loss to Edmonton, to Alberta and this parliament.

Mr. M. J. COLDWELL (Rosetown-Biggar): On behalf of my colleagues and myself I would join with the Prime Minister, the leader of the opposition and the Minister of Trade and Commerce in expressing regret and sorrow at the passing of another member of this house. I have often thought in the last six years, since I have been here, that the strain of public life has told in this chamber probably more than almost anywhere else. These sad occasions have brought home to me the truth of the words of the prayer book of the church in which I was brought up, the Church of England, "In the midst of life we are in death."

I would therefore on behalf of my colleagues and myself join in the expressions of sympathy and regret that have already been voiced. I little thought yesterday as I walked into this chamber with Mr. Casselman that we would be speaking of him to-day as a departed colleague.

We extend to the widow and the bereaved daughter our very sincere sympathy in the loss which they have sustained.

Mr. J. H. BLACKMORE (Lethbridge): On behalf of the members of my group I wish to associate myself with the kind words, so thoroughly deserved, which have already been spoken regarding Mr. Casselman. The member for Edmonton East was one whom this house at this time could ill afford to lose. He was a man of understanding, vision and courage. Our sympathies go out earnestly to his bereaved family. In their sorrow they can take some comfort from the fact that he died in harness, doing, and ready and eager to do, his part.

Mr. DANIEL McIVOR (Fort William): As a humble private member may I be allowed to pay my tribute to one whom I came to know intimately. As I saw the flowers here yesterday to cheer the living, and as I see now the flowers on the departed member's desk to commemorate one living on the other side, I am reminded of the last conversation I had with him, when I said: "What difference does it make what may be our creed or our party?" And he interrupted and said, "If you shoot straight and follow the Master Workman, that is what matters."

Our colleague has gone to God's other world and now he may see better than ever what is going on in this house.

ST. LAWRENCE WATERWAY

AGREEMENT RESPECTING DEVELOPMENT OF POWER AND PROVISION OF DEEP WATERWAY FROM HEAD OF THE LAKES TO MONTREAL —DOCUMENTS TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): I rise to table the correspondence and documents relating to the Great Lakes-St. Lawrence basin development, 1938-41, which I promised the house on Wednesday last would be tabled to-day.

I am tabling the documents in the form of a white paper which comprises the following:

Part I. Agreements with the United States and with Ontario concerning the Great Lakes-St. Lawrence basin development;

Part II. Correspondence between the governments of Canada and the United States, concerning the Great Lakes-St. Lawrence basin development;

Part III. Correspondence between the government of Canada and the government of Ontario concerning the Great Lakes-St. Lawrence basin development;

Part IV. Correspondence between the government of Canada and the government of Quebec concerning the Great Lakes-St. Lawrence basin development, and

Part V. General plan.

A publication regarding correspondence and documents relating to the St. Lawrence Deep Waterway treaty, 1932, and Ogoki river and Kenogami (Long Lake) projects, and export of electrical power, was tabled in the House of Commons on February 28, 1938. A supplementary publication was tabled on March 21, 1938. The white paper now tabled includes the correspondence and documents relating to the Great Lakes-St. Lawrence basin development subsequent to those publications and up to the date of the Canada-United States agreement of March 19, 1941. With what is contained in this white paper and the two previous similar papers that have been tabled

the house will I believe have before it the essential documents and correspondence relating to the Great Lakes-St. Lawrence waterway agreement.

I have in my hand a summary of the outstanding features of the agreement, something in the nature of a historical sketch of the events leading up to the agreement, essential features of the agreement and the like. This has been prepared by officials of the Department of External Affairs and was given out to-day as a release to the press. It might be of some service to hon. members in subsequent discussions in the house if, for purposes of reference, this statement were printed in the *Votes and Proceedings* of to-day. I shall table it for that purpose.

My hon. friend the leader of the opposition (Mr. Hanson) asked me to place on the table the legal opinion of the law officers of the crown with respect to the position of the agreement as an agreement in contrast with its presentation in the form of a treaty, more particularly with relation to the binding nature of the agreement upon both countries. I now table the correspondence setting forth an opinion from the legal adviser of the Department of External Affairs and from the Deputy Minister of Justice, also an opinion of the legal adviser of the state department, and of the Attorney General of the United States. They relate respectively to the validity of an agreement passed upon the legislative authority of parliament and of congress.

I propose that this correspondence be also printed in *Votes and Proceedings* so that it may be available to hon. members for future reference.

Hon. R. B. HANSON (Leader of the Opposition): Before we leave this item of business I wish to thank the Prime Minister (Mr. Mackenzie King) for having sent me, just after noon, copies of these documents, except the legal opinions which he has now tabled. In the cursory glance that I was able to give them I did not see any figures showing the ultimate cost to Canada of this project. Have any such estimates been made, and if so where can they be found?

Mr. MACKENZIE KING: The engineering report which I tabled the other day has some data; other data will be found in the white paper tabled to-day, and in part V of the summary.

[Mr. Mackenzie King.]

Mr. HANSON (York-Sunbury): There are data, but there is no indication what Canada's share is.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to ask the Prime Minister whether the government have given consideration to the question of the Easter adjournment. Easter Sunday is April 13, and Good Friday is the 11th. Hon. members of this house who live at a distance are particularly interested in any announcement the government may make. Personally it does not matter very much to me whether we have a long adjournment or a short one, but certainly it would be a great convenience if we could have a few days at Easter to look after pressing personal affairs. Therefore if the Prime Minister is in a position to make any announcement I should be grateful if he would do so.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My colleagues and I have carefully considered what would be most advisable in the way of an adjournment at the Easter season. The choice seems to lie, as my hon. friend has just said, between a very brief adjournment possibly from the Thursday until the following Tuesday, or an adjournment sufficiently long to enable hon. members in all parts of the house to return to their constituencies if they desire to do so; and particularly, I may add, sufficiently long to enable members of the government, who have been pretty constantly in attendance in the house during the discussion of the war appropriation measure, to give much needed attention to many important matters in their respective departments, and to give us all an opportunity to catch up on arrears. In addition, I hope to secure opportunity for something in the way of much needed rest and recreation in that period of time.

In these circumstances, I have thought that if it were acceptable to the house I would suggest an adjournment from April 9, that being a half day, until Monday, April 28. As hon. members will see, that period includes three Saturdays and Sundays. Actually the adjournment will be for little more than a fortnight. Having regard to many matters to which the government must give attention I think it is important that the adjournment should be for that length of time.

WAR APPROPRIATION BILL

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

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of Bill No. 19, for granting to his majesty aid for national defence and security.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I have no intention of delaying the house in connection with this measure. We had a considerable amount of discussion in the resolution stage, and certainly I would be the last to want to inflict a speech on the house in connection with the second reading of the bill. Nevertheless I do not think it should go through without something being said.

The resolution called for the appropriation of a very large sum of money; and the bill, which I have perused hurriedly, follows closely the provisions of the resolution. When we reach the committee stage of the bill there are one or two features which I shall bring to the attention of the minister. One point to which I desire to refer at the moment is that under section 4 of the bill there is no division whatever between the amount that may be raised by taxation, and that which may be raised by borrowing. The whole amount of $1,300,000,000 may be borrowed. This is a vote of credit for the full sum of $1,300,000,000, all of which may be borrowed by the minister.

As has been said so often in this house, of course that is a very large sum of money, and it seems to me that before second reading is given, the minister might indicate with some degree of certainty that the government are not going to borrow the whole sum. It would, I think, be contrary to government policy to borrow the whole amount, and I believe the people of Canada would not wish that to be done. *Per contra,* I think the government should announce that all this huge amount is not to be raised by taxation. To raise it all by that method would be too severe, and in large measure would dry up those sources of revenue which are and will continue to be so essential. I invite the minister again, as I did on a previous occasion, to indicate, if he will, just what portion is to be raised by taxation and what portion is to be raised by way of loan.

In connection with this part of my remarks, I would reaffirm the faith I have expressed in this chamber on many occasions during the past eight or ten months, that the people of Canada will produce the money for this government's war effort, no matter what their opinion of the war effort may be. I want to go farther than that and pledge to the service of the state not only myself and my own personal effort, but the membership of my party in this house and in the country to the end that this money will be raised, especially such portion of it as has to be raised by way of loan. I think it would be the most unpatriotic course I could pursue if I were to refuse in any degree to participate in the forthcoming appeal which will be made to the Canadian people. Therefore I have indicated to the gentleman who has been appointed to take charge of this loan that I shall be glad to place myself, with such limited powers as I may possess, at his disposal, and at the disposal of those who are preparing to make the appeal to the Canadian people, and who are preparing to make the loan a success. I desire now to reaffirm that pledge, and to associate with it all my friends in this house. Through the medium of the press I ask at this time the loyal people of the Conservative party to stand behind this government, so far as its loan is concerned. I am sure they will do so.

It is a large sum of money. If all the money were to be spent in Canada, from the purely economic standpoint I do not think there would be any great difficulty in getting it. But a substantial portion of the amount required will have to be spent in the United States and the purchases paid for in the currency of that country. To that extent provision of the money will at least be fraught with some difficulty. If the money is raised from our own people, then theoretically this would be a matter more or less of bookkeeping. I do not claim to be a great economist, but it would seem to me that this would be a self-contained matter, and would not present any great difficulty, except as regards the quantum of the amount to be raised. If, however, as I apprehend will be the situation, a substantial amount of the money must be exported from the country to purchase war supplies and other materials in the United States, in terms of their currency, then I would visualize considerable difficulty in connection with war financing in this year.

Especially will I expect that difficulty if the amounts reach the astronomical figures which have been indicated. It must be remembered that not only this sum of $1,300,000,000, but a further substantial sum estimated by the Minister of Finance (Mr. Ilsley) at $160,000,000, together with a supplementary appropriation for the now expiring current year will have to be raised. The circumstances I have indicated will, I believe, present substantial difficulties to the Department of Finance and to those who are charged with the responsibility of making those payments.

I was interested a few days ago to read the report of a statement purported to have been made by the Secretary of the Treasury in the United States, Mr. Morgenthau. It was intimated that Mr. Morgenthau had been assured by the deputy minister of finance that Canada was prepared to finance her requirements in the United States for the year. I assume the calendar year of 1941 was meant. He said, however, that after that there would be more difficulties. That remark may not be properly attributable to the deputy minister of finance; but if it is, and he did say that, then I am more or less in agreement with him. With the growing commitments for war supplies, commitments properly incurred, I believe there will be increasing difficulties in taking care of that position. It is my belief that we shall be confronted with two courses, both of which will have to be adopted. The first is that there will have to be further restrictions on the importation of non-essentials from the United States, and, second, that we may have to resort to borrowing in that country.

That is all I have to say with respect to the general principles involved in the bill. Before I resume my seat, however, I desire to make one further appeal to the Minister of Munitions and Supply (Mr. Howe) in connection with Federal Aircraft. I do not make the appeal in any carping spirit. While the resolution was being debated in committee, there may have been engendered some expressions of opinion which might better have been left unsaid. On the whole, however, I believe the debate was more or less on an elevated level, and the minister himself came to the conclusion that no one was aiming any shafts at him, personally. No one was attempting to intimate that he had fallen down in the tremendous work he has undertaken upon himself. There was a feeling, however, that there had been a failure to adopt a definite policy such as the minister himself had indicated in his press releases of early last summer.

I have no intention whatever of rehashing the whole story of Federal Aircraft. I would ask permission, however, to call the attention of the minister and the house to a statement made by him through the director of public information on July 2 of last year. At that time the minister is reported to have said:

> The Canadian aircraft industry has responded so splendidly to the emergency created by Great Britain's inability to ship components under the terms of the joint air training scheme, that the larger part of the original programme, which covered two years, has been compressed into a one-year plan. Elementary trainers are already being manufactured on a mass production basis and the construction of advanced training planes is proceeding in accord with the needs of the accelerated schedule.

Then he goes on to say:

> The ability and willingness of the operators and workmen of the Canadian aircraft industry to meet the unprecedented demand, have been so pronounced that the government will be able to complete both the Canadian programme and the whole joint air training programme on the basis of the dominion's own resources and without assistance from overseas.

I confess at once that when I read that statement I thought it was a cheerful one, and one which would bring comfort to the Canadian people, who had heard appeals for planes and more planes—and that sort of thing—from overseas. I was content to accept the matter at its face value.

At the same time the minister announced the appointment of Mr. R. P. Bell to the executive committee of the department with —and note this—the responsibility for coordinating the entire aircraft production throughout the dominion and accelerating, even beyond its present speed, the output of the aviation industry. Then the minister proceeded as follows to summarize aircraft production:

> Work is well advanced on all the orders for planes required under the joint air training plan. Arrangements have been completed for the purchase of some 5,000 engines.
>
> Originally most of these engines were to have come from Great Britain. Orders have also been placed for instruments and other necessary equipment of the aircraft production programme.
>
> Under the air training plan, pilots receive their first air experience in elementary flying training schools. There they fly Fleet trainers and de Havilland Tiger Moths. According to the plan, some 800 of these elementary machines are needed. One Canadian plant is producing more than two of these planes a day. Nearly 200 of this type of plane have already been delivered from Canadian plants. By the end of the year Canada will have produced all the elementary training planes required.

I think that schedule has been lived up to pretty well; at least that is my understanding of the situation. The minister went on to say:

> To fulfil her part of the training plan, Great Britain was to have provided 400 Gypsy engines for the Tiger Moths. To replace these, 400 Menasco engines have now been purchased. The engines required for the Fleet trainers also have been bought.
>
> As the pilots graduate from their elementary training, they are taught how to handle the bigger and faster craft. These include Harvards, Fleet 60's and Ansons.

He then went on to indicate the orders which had been placed in Canada and the United States for Harvard training planes. He then said:

> The production in Canada of Ansons, Harvards, and Fleet 60's has been so scheduled that they will be available as pilots graduate

from their preliminary training in the elementary planes. Deliveries of Harvards will begin within a month.

As I understand, the Fleet 60's are intermediate planes. The minister then proceeded to state that the Anson programme, involving the construction of 1,509 twin-engined craft, was proceeding vigorously in the nine Canadian plants that are manufacturing the various component parts, and that in order to coordinate the output of all Anson parts and to expedite the production of the complete Anson machine—one of the most important units in the air training plan—steps had been taken to segregate this work from the remainder of the aircraft programme and to place it under one management and direction.

He then announced that a company had been formed for that purpose, Federal Aircraft Limited, with headquarters in Montreal. Mr. Ralph P. Bell would be its president. He would be assisted by a board of directors, consisting of Mr. Sidney Dawes, Mr. Blair Gordon, Mr. Russell Smith and Mr. Allen Aiken. The general manager would be Mr. R. J. Moffett, formerly chief aeronautical engineer of Canadian Vickers; and Mr. Frank L. Jeckel, a member of a firm of chartered accountants, had been appointed treasurer.

The company was then set up, and I understand a contract was entered into directly between the department and this company for the production of these planes. The company was to have the planes assembled, and to arrange to have the parts manufactured and the engines imported from the United States, as has been indicated here. As I understand it, Federal Aircraft Limited was set up at the suggestion of those who were directing aircraft production in the department; it may be attributed to Mr. Bell and perhaps to Mr. Sanderson. They suggested the setting up of this company to do the engineering and reengineering and to procure certain essential parts. This was necessary because of the involved state of the Anson programme at that time.

My understanding is that the original statement to the minister, and of course from the minister to the government, was that the company should be independent of ordinary government facilities in connection with the treasury and that sort of thing; that that suggestion was approved by the government, either formally or informally. But I understand within a short time the whole set-up was changed and Federal Aircraft Limited became merely an agent for the Department of Munitions and Supply, all its actions being subject to the approval of the minister. I should like to know if this is correct; if there was a change and the basis of the change.

I assume that the change was made on the theory that there was no responsibility for the expenditure of public funds. With that principle I do not think any one who has had any experience in public life will have any great quarrel. I should, however, like to point out that while such a principle may be absolutely essential in peace time for the protection of the public treasury, it is too inflexible for war time. This is the sort of thing which had to be overcome in Great Britain and which was overcome by the appointment of Lord Beaverbrook as minister of aircraft production and his inclusion in the ministry.

I have received substantial information with respect to the history of the company from that time onward, but I shall not repeat it here for two reasons. First, I do not think I should take up the time of the house in doing so and, second, I have not had an opportunity of verifying the information which has been given to me. I realize that the difficulties which have arisen have been multitudinous and sometimes almost insurmountable, on account of the combination of circumstances. If, however, those charged with responsibility had had a little more foresight, had had a better understanding of conditions as they were, and had taken a long range view, some of those difficulties might have been obviated. I think we will all agree that so far as the Anson programme is concerned, the delays have been too numerous, the programme has been retarded, and the set-up to-day is not as satisfactory as it might be. That is putting the case quite mildly.

In closing my remarks, I appeal to the minister to review the whole position with respect to the Anson programme and consult with those who do know the industry. I do not suggest that he should put one of his subcontractors in charge of the programme, as he has intimated we have suggested. That suggestion has been made, however, by some of those who know or pretend to know about this matter. I appeal to him to review the whole position with respect to Federal Aircraft so that we can get some action on this Avro-Anson programme. This is the attitude the country is taking. If we get satisfactory action in the not too distant future, I am sure the country will forget a good deal of what has happened in the past.

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I intend to make only a few remarks on this bill because I think the subject matter has received complete consideration. My hon. friend opposite has, however, raised one or two points and has asked me to deal with them. The hon. member for Rosetown-Biggar (Mr. Coldwell) asked some

questions which I shall attempt to answer. I shall deal also with the matter of brass which was brought up in the debate in a rather offensive way.

As far as the very moderate remarks, which my hon. friend has made about the Anson programme and Federal Aircraft, are concerned, there is a fundamental difference between us. During my absence in England an attack was made on Federal—I have traced the source of this, but I do not know that this is of any particular interest to the house—and by the time I had returned this had grown to be a rather virulent newspaper debate. I looked into the situation very carefully on my return because having established the company I had to decide what should be done. I viewed with an open mind the situation as it had developed and I came to the conclusion that while the management had perhaps not been all that could have been desired, it was still most decidedly advisable to continue as we had started and straighten out the management.

My hon. friend is quite correct in saying that we established the company to coordinate our work that could not be placed in a single aircraft plant. Situations vary from time to time, but at that time every plant was developing from small beginnings into a position to handle a substantial programme, and every plant had a substantial programme.

By February it had developed that the de Havilland company were anxious to take over the whole programme. In July, the time to which my hon. friend refers in connection with the press statement from my department, de Havilland was one of the busiest plants in Canada trying to step up production of primary trainers.

My hon. friend says that it was set up with the idea that the management would have a free hand. May I say that several men who have joined our department have come in with the great idea of having a free hand. That idea of authority without responsibility seems to be the great goal of men who enter into government work, but no man and no government company has that kind of free hand. The purpose of the government company is to manage and recommend. No expenditures can be made by a government-owned company except through the ordinary channels of government. If it is an item over $5,000 the expenditure must be recommended to the government and approved by them and an order in council prepared just the same as for other government expenditures. If the item is less than $5,000 it must have ministerial authority. Each of the public companies has a limit within which it is allowed to use its own discretion, and that limit is not large. So far as I have been able to observe there have been no great handicaps to the business of these companies through the fact that no person in them has had a free hand to spend the money of the taxpayers of Canada. The purpose of the government-owned company is not to avoid the restraints on public expenditures.

My hon. friend has referred to Lord Beaverbrook as having a free hand. As a matter of fact I know from personal contact with him that he has not a free hand because I have been present at battles between Lord Beaverbrook's staff and the staff of the British treasury and it is just as difficult—this may seem almost unbelievable—to get accounts through the British treasury as it is for a member of this government to get the approval of the treasury board of Canada. This "free hand" in spending public money exists only in theory, and I for one have no desire that it should exist in practice. If it did exist in practice I do not believe public business would be greatly expedited.

The purpose of Federal Aircraft is the purpose which up to the present it has carried out. The delays which have occurred and the difficulties in the relations between Federal Aircraft and its subcontractors have arisen out of the necessity of completing the redesigning of the plane. We had no thought in July that the plane would be completely redesigned. We knew that certain adaptations had to be made from British to Canadian standards, but the extent of the redesigning subsequently decided upon went far beyond that. We were greatly disappointed at the inability of our designing staff to complete the design as quickly as we could have wished. Until these designs were completed the most expert business management and the most superior board of directors in the world would have been just as helpless as were the directors of Federal Aircraft to place firm contracts with subcontractors on a basis that would allow them to proceed to furnish the finished planes.

The fact is that to-day the redesigning has been wholly finished. The orders which had been placed for raw materials were necessarily placed subject to the furnishing of finished designs and layout drawings. These designs and layout drawings have been furnished; the Anson programme to-day is in the hands of the builders and the builders are now in a position to go full-out on the programme. There was a delay on the engineering end, but I have never been able to see that any charge of incompetence would have been justified against the directors of the company, who have been giving a tremendous amount of their time to this work. If there

is any company whose business I know well it is the Anson company because I have gone into it personally in minute detail. I felt it was my duty to do so on account of the decision that I had to make with regard to the company. The Anson programme is completely in order to-day and I think that the prospects of obtaining Anson planes on schedule are just as good as the prospects of obtaining any other plane that has not yet gone into production.

Mr. BLACK (Cumberland): Under the programme to which he refers, does the minister care to say what quantity is contemplated at this time?

Mr. HOWE: The present contract is for 1,050 Anson planes.

My hon. friend, referring to my so-called press statement, referred to the statement that it would be possible to speed up the air training programme and do two years' work in one. I do not know whether that was ever a correct statement of the intentions of those responsible for the air training programme, but I do know that the air training programme has been speeded up very substantially. My colleague has made a statement to that effect in this house, and so far as I know we have kept him in planes—not all the planes he could have wished for; nevertheless it has been possible to speed up his programme very greatly. We are ahead of the schedule that was given to us for the production of planes, and the fact is that he has received the planes to carry out that programme.

The hon. member for Rosetown-Biggar (Mr. Coldwell) asked for certain information concerning the Canadian Broadcasting Corporation. My officers have prepared a reply which I shall be glad to place on *Hansard*. It is as follows:

Three of the Class I-A channels allocated under the Havana agreement to Canada have been assigned to privately-owned stations in order to meet a provision of the treaty that some use must be made of these channels within one year from March 29, 1941, but under the present policy the stations concerned may only use their present power. With regard to the possibility of a misapprehension in this respect on the part of the owners of these stations, there is no vested interest in the licence issued for the operation of a radio broadcasting station.

Mr. HANSON (York-Sunbury): That is to say, the government can refuse at any time to renew the licence?

Mr. HOWE: Yes. It is definitely stated in the act that there is no vested interest.

730 Kc. is a Class I-A assignment to Mexico—

Not to Canada.

Under the provisions of the Havana agreement Canada may use it for Class II assignments provided no interference is caused on the Mexican border and the five kilowatt (not fifteen kilowatts)—

The fifteen kilowatts is in parenthesis. My hon. friend said five and I said fifteen.

—station CKAC may have to use a directional antenna if interference is caused. The assignment of 730 Kc. to CKAC is a Class II assignment. No Canadian frequency facilities were given up in obtaining the use of 730 Kc. by CKAC.

The separation between CKAC and CBL is well beyond the separation required between a 5 kilowatt and a 50 kilowatt station on adjacent channels (10 Kc. separation).

CKBI Prince Albert, CFPL London, CHML Hamilton, CJBR Rimouski are assigned Mexican Class I-A channels as Class II stations as permitted by the treaty. The selections were made in accordance with the engineering standards of the treaty. These assignments do not imply a permission later to increase the power.

In fact, quite the reverse.

The immediate and future requirements of the Canadian Broadcasting Corporation long term plan of national coverage did govern the allocation of frequencies.

All frequency allocations were concurred in by the board of governors of the Canadian Broadcasting Corporation in accordance with the requirements of the Canadian Broadcasting Act, 1936. The Canadian Broadcasting Act, 1936, gives the corporation complete jurisdiction over all network broadcasting in Canada. The authority is section 22, subsection 1, clause (a), which says:

"The corporation may make regulations to control the establishment and operation of chains or networks of stations in Canada."

Pursuant to this power, appropriate regulations have been passed by the board of governors covering national and international chain broadcasting. The contracts which stations CFRB (Toronto) and CKAC (Montreal) have with the Columbia Broadcasting System give them the right to accept or reject such commercial programmes as they desire, having in mind the interests of Canadian listeners. There is no obligation on their part, under the contract, to clear time for Columbia at any time, either for sustaining or commercial programmes.

The contract is made subject to the provisions of the Canadian Broadcasting Act and all rules and regulations made thereunder, and to annual reconsideration by the Canadian Broadcasting Corporation.

The corporation fully appreciates that parliament intended that it should be the network broadcasting authority in Canada, exercising supervisory control over all chain transmissions, irrespective of whether they originate within or outside the country. The regulations have been framed in the light of this consideration and administration has proceeded to this end.

Now I come to a matter which was brought up in this house at a time when I had no information to enable me to go into it fully. Hon. members, from observations they have made to me personally, have an idea that I

have been rather bad-tempered in the discussion of this particular bill. I think on consideration they will admit that the only time I have been extremely bad-tempered is when a member of my staff has been accused of doing less than his best. I do resent suggestions in this house that some member of my staff has used his position in the government to further his private interests, or that he has been dishonest in the exercise of his judgment. I therefore wish to go into the subject raised by the hon. member for West York (Mr. Adamson), which was a very serious reflection on senior members of my staff, one of whom he mentioned by name.

To lay the background for what I have to say, I wish to read two letters, one signed by Mr. M. S. Moss, general manager of Anaconda American Brass Limited, and the second from Mr. H. Horsfall, president and managing director of Canada Wire and Cable company.

Mr. HOMUTH: The minister refers to the hon. member for West York having made reference to a member of his staff. I do not recall that he did.

Mr. HOWE: Yes; he referred to Mr. Henry. That was on March 13, 1941. This is the letter from Mr. Moss, on the letter head of Anaconda American Brass Limited, and it is dated March 19, 1941. It is addressed to myself:

Honourable Sir:

As requested by Mr. Henry Borden, we are furnishing the following information with regard to the questions raised in the House of Commons by Mr. Rodney Adamson, M.P., as reported in *Hansard* for Thursday, March 13, 1941, at pages 1652 and 1653.

I have inquired of Mr. John A. Coe of Waterbury, our president, Mr. W. H. Stewart, our secretary, and Mr. W. M. Moffatt our superintendent, who with me as general manager are the officials in charge of our business, and neither any of them nor I have given any information on the subject to Mr. Adamson. It is possible that some member of our organization without authority may have talked to Mr. Adamson.

In regard to placing the contract for a government mill with us, the facts, as we understand them, are as follows:

At the request of the war supply board, we submitted our estimate for the erection of a government mill on our property to Mr. W. S. Lecky, of the war supply board, on April 8. The amount of our estimate was $2,735,040. On May 29 we were asked to attend a meeting in Mr. Woodward's office. Present at this meeting were Messrs. W. C. Woodward, Colonel W. A. Harrison, W. M. Moffatt, superintendent of Anaconda American Brass Limited, and the writer, general manager. At this meeting we were told that it was a little hard to get any action on the government mill at our plant due to the fact that the exact poundage of metal required was not known, so it was hard to tie down the British and French commissions to any concrete proposition.

Mr. Woodward stated that the French commission were very desirous of owning a mill in Canada, preferably in Quebec, as they thought such a mill would be of value after the war was over to produce slab metal for export rather than exporting copper and zinc separately, and they had asked the executive committee to locate a manufacturer who would build a plant for the French government, preferably not our company.

Mr. Woodward stated that officials of other companies had been summoned to Ottawa and asked to figure on a new mill, it being the idea that this mill would be built at the expense of the French government and the mill would belong to them after the war. It was further stated at this meeting that the quotation for the Quebec mill would include a rod and sheet mill, while we had only been asked to quote on a sheet mill. At no time did we understand that we were bidding against the Canada Wire and Cable Company Limited.

On June 17, 1940, Mr. Moffatt and the writer attended another meeting in Mr. Woodward's office. Mr. R. A. C. Henry was also present. At this meeting we were told definitely that Mr. Murdoch of the Noranda Mines Limited had been asked to erect a mill capable of producing 100,000,000 pounds of metal annually, and we were told that in addition to this mill our company would be asked to build a mill. We were asked to secure options on the necessary machinery capable of producing a substantial poundage. We were not authorized to go ahead with the work, but from Mr. Woodward's office a firm of engineers were called on the phone and were asked to get in touch with us in regard to plans.

The Beauharnois Company's name was never mentioned at any of the meetings that we attended in Ottawa, and the writer has no recollection of Mr. Henry ever mentioning power, although it is possible we may have been asked if the Hydro-Electric Power Commission could serve us with sufficient power in New Toronto to take care of the new mill.

In regard to the statement that the Canada Wire and Cable Company Limited had to come to our company and ask for help with the layout of their plant, we can say positively that we had nothing whatsoever to do with this layout, but after the plans had been made they were shown to our superintendent. Our relations with the Canada Wire and Cable Company Limited have always been friendly and during the time their plant in Quebec was being erected we gave certain of their officials the run of our plant and gave them all the information we could on any matter that was brought up.

In regard to the training of men, it will be found by referring to our agreement with the government for the erection of a government mill on our property, which was drawn up by the Allied War Supplies Corporation and signed on September 11, 1940, that a paragraph appears whereby we are authorized to train forty men for the government mill at government expense, and providing we would give a certain percentage of them to the Canada Wire and Cable Company Limited. In training men as we did for the Allied Brass Limited we were only living up to our agreement.

In regard to increasing our prices one cent per pound to amortize the cost of the government mills, the possibility of doing this was one of the many things which were talked over in Mr. Bateman's office on February 5 or 6, 1941, but it was thoroughly understood that

no action at all would be taken in this matter without it first being submitted to the minister for approval and being made the subject of an order in council. Mr. G. C. Bateman, metal controller, would be able to tell you more about this than we can.

Yours very truly,
Anaconda American Brass Limited,
M. S. Moss,
General Manager.

The next is a letter on the Canada Wire and Cable company's letter head, president's office, dated Toronto, March 20, 1941:

Dear Sir,—

I acknowledge your letter of the 18th instant re speech of Mr. Adamson, M.P., with copy as reported in *Hansard* attached. I wish to advise:

1. No help was asked of Anaconda on the design, layout or construction of the brass plant referred to. Our engineers visited the most modern United States plants for the production of this product and were given every facility and all information necessary to do this work.

2. The Anaconda company have cooperated fully with us and have always been very friendly. It is true that a number of our men were trained at the Anaconda plant under an agreed arrangement which has been most helpful.

3. Mr. Adamson's remarks regarding power are incorrect. The question of power was never discussed at any time, with anybody, nor has anyone in our company had any conversation with the Mr. Henry mentioned by Mr. Adamson. I, personally, am not acquainted with Mr. Henry, the Beauharnois company was never mentioned at any time.

4. No suggestion was ever made by any officials of this company that the price of brass should be increased by 1 cent per pound or by any other figure for the purpose of writing off the cost of the brass plant in Montreal, and while the writer has heard some hearsay rumours in this connection, I can state positively that any such suggestion did not originate in this organization.

Yours very truly,
H. Horsfall,
President and Managing Director.

I should like to deal with the remarks of the hon. member for York West (Mr. Adamson) as reported in *Hansard,* page 1513:

I come now to a condition of expenditure. In my riding the largest industrial plant is the Anaconda American Brass Company. They are, or were until a very short time ago, the largest and practically the only manufacturers of brass in Canada.

This is the statement to which I should like to call attention:

Some time during the latter part of last year the Department of Munitions and Supply asked for tenders on a plant to produce 100 million pounds of brass sheet and rod a year.

The answer to that is that no tenders were asked for, but negotiations took place with two companies, one being asked to submit an estimate for a sheet mill, and the other for a rod and sheet mill. I should like hon. members to note that the two proposals are quite different. They are the same in that both had sheet capacity, but only one proposal also includes extrusion press and rod capacity.

The hon. member continued:

On this tender there were two bids, one from the Anaconda company and one from the Canada Wire and Cable Company in Montreal. When the contracts were let, it turned out that the Anaconda company had made a bid of $1,500,000 less than the bid actually accepted. There is now a discrepancy of $2,300,000 because, after the original contract was let, the demand for brass increased to such an extent that the government had to ask the Anaconda company to build a plant of the same size as it originally intended to build.

The answer to that is found in the Anaconda letter, the fifth paragraph. It shows that estimates were not for the same project. Then he went on:

The Anaconda American Brass Company have offered to run this government plant entirely and absolutely without fee.

The answer to that is that the contracts with both companies provided for a management fee, but last November the Anaconda company advised the government that they did not wish to accept the fee provided for, and I acknowledged this helpful action on their part by letter of November 4 last.

The hon. member continued:

I understand from the information I have received that the Canada Wire and Cable Company is charging a fee for the operation of their plant. Further than that, the Canada Wire and Cable Company had never made brass sheets and rods before. They had to go to the Anaconda company in New Toronto and ask them, first, to help them with their layout of plant—

The answer to that is in the Anaconda letter, paragraph 8, and the Canada Wire and Cable company letter, paragraph 1.

Mr. JACKMAN: Had they turned out the brass rods?

Mr. HOWE: Yes; the plant is in production now and the brass rods are now being turned out.

Mr. JACKMAN: I mean, had Canada Wire and Cable company been turning out brass rods before this contract?

Mr. HOWE: No; the Canada Wire and Cable company had never been manufacturers of brass, but of course they are one of the largest, in fact the largest manufacturers of copper rods and sheets in the country.

The hon. member went on:

. . . and, further, to train men in their private plant—not in the government plant—in the manufacture of brass sheets and rods.

I may say that Allied War Supplies, who have charge of these contracts as part of their explosives and chemical work, made an arrangement with Anaconda so that they would train men for both government plants at a price that was agreed upon, and that was done. The men were trained there, but under an agreement with Anaconda. The hon. gentleman went on:

When this information was presented to me I naturally investigated the matter, because this concern is in my riding, a company that is vitally important to the welfare of York West, and one on whose lists there are to-day the names of some four thousand men wishing for employment. Therefore I assumed with my constituents who are members of this organization—

And I stress these words:

—that the reason why the contract was given to the Canada Wire and Cable Company could not be lack of labour in York West, because there is plenty of labour available there.

The answer to this is found in the Anaconda letter, paragraph 4, beginning, "Mr. Woodward stated" and ending "preferably not our company." Then the hon. member went on:

Then I said, perhaps there is a power shortage in York West, so I inquired of the Ontario Hydro-Electric Commission and officials of the company and found that ample power was available. But one of the members of the company said to me: "Yes, we had lots of power, I understand that the Canada Wire and Cable Company were guaranteed power and that the deal was put through by a Mr. Henry" —I think the name was—"who said there would be opportunity to get plenty of power from the Beauharnois company, they had a surplus of power, and that they could build their plant in Montreal."

As hon. members will recall from reading the letters, Mr. Horsfall said he had never heard of Mr. Henry and that no member of his staff had discussed power with Mr. Henry, while Mr. Moss stated that he had never at any time heard the subject of power mentioned in Mr. Henry's presence.

Mr. HANSON (York-Sunbury): Did he not say he did not recall hearing it? That is quite different, you know.

Mr. HOWE: Nevertheless, here we have absolutely no foundation for that statement. It was pure innuendo, designed to destroy one of the senior men in my organization, a man who from the inception of the defence purchasing commission, I think, has worked as hard as, if not harder than, any man we have on the staff to keep this war effort of ours moving. It is the sort of thing I despise.

Mr. HANSON (York-Sunbury): Of course I do not agree with that interpretation of the hon. member's remarks.

Mr. HOWE: It is absolutely plain.

[Mr. Howe.]

Mr. HANSON (York-Sunbury): I do not think there was any intention to destroy Mr. Henry. The hon. member had been told that Mr. Henry intimated that there would be ample power available from Beauharnois.

Mr. HOWE: It was dragged into the discussion in a very different way from that. The hon. gentleman mentioned that with a sneer in his voice, and this was what he said:

But one of the members of the company said to me: "Yes, we had lots of power, but I understand that the Canada Wire and Cable Company were guaranteed power and that the deal was put through by a Mr. Henry"—I think the name was—

The name was dragged right in there.

—"who said there would be opportunity to get plenty of power from the Beauharnois company, they had a surplus of power, and that they could build their plant in Montreal."

It is quite obvious from reading the letter that this had absolutely nothing to do with it, and I have my own opinion of a man who will go out of his way to bring discredit on a faithful officer of this government. I need not read all of these remarks. I will go on down to this point:

The suggestion was made to a very high official of the Anaconda American Brass Company that he should increase the price one cent a pound so that the Canada Wire and Cable Company would be able, or the government would be able, to write off this plant in Montreal.

We are not talking about additions to either the properties of the Canada Wire and Cable company or the properties of the Anaconda American Brass company. These were wholly owned government plants, and all that we arranged for was the designing and operating technique of these two companies. The plants were owned and paid for by the government. There was this difference: the same operating fee was arranged by contract with both companies, but last November the Anaconda company said that after consideration they had decided that they did not wish to accept the fee and would donate their services, both for design and for the operating of the plant, to the government. This was a splendid act on their part, and an offer that I was glad to accept. I may say that from time to time we have had other offers of that kind, and have accepted them, in similar transactions.

The question came up of two government-owned plants. We went through with the Montreal plant as one which was to be owned by the French government. We were just completing negotiations with them when the collapse of France took place. After Dunkirk, the British took over all the French commitments in the United States while the Canadian government took over the French

commitments in Canada, which fortunately were very few. So we took over the French commitment in the matter of the brass plant at Montreal.

From time to time we have been studying the question of the amortization of these government-owned properties. It is my belief that where part of the product is going to a customer other than the owner, the question of amortization should be considered. It is considered in the United States, where the amortization is carried on over a five-year period; and we have come to the conclusion that where questions of amortization arise—and it is only a question of bookkeeping as far as the government is concerned except in so far as it affects the price of the product—

Mr. HOMUTH: During the discussion on the resolution, did the minister not say at one time that this was written off at the start in government-owned plants because we were financing the whole thing?

Mr. HOWE: So it is, and no question of amortization enters where the government owns the plant and the same government obtains the product. But where one government wholly owns the plant and another government accepts the product, it is only fair that the second government should pay an increased price for the product which would include an amortization charge. I am told that in trying to price the product of this government-owned plant to take care of amortization on a five-year basis, it was questioned whether the current market price of brass would permit that to be done; and a discussion took place as to whether the price should be increased by a cent a pound to take care of the full amortization charge. The matter never got to me; the decision was that certainly we should not attempt to sell brass at more than the current market price of the product, and the matter ended there. It was only an academic discussion, in an attempt to see how the product could be priced to work out amortization in five years.

Mr. HANSON (York-Sunbury): It will have to be dealt with sooner or later, will it not?

Mr. HOWE: What we have decided, and I think it is the only thing we properly could do in connection with a commodity sold in current market transactions, is that we will charge all our customers the market price of the brass. Of course, anything between the bare cost and the market price will be returned to the government for the amortization of the plant. It may be more or it may be less than the amount required to amortize the plant in five years; nevertheless I think any reasonable consideration would indicate that we should not attempt to sell brass for more than its world market price.

I feel sure the margin will be sufficient for our requirements. That is the matter of brass. I should like once again to impress upon the house that we are talking about two entirely different types of plant. One is a rod mill, with a large rod capacity as well as sheet capacity; the other is a sheet mill. We never asked for tenders on the two plants. We asked for proposals, one for one type of plant wanted by the French government, and the other for another type of plant we require for our own shell programme. The French plant came into our hands at the time of the general assignment of French contracts in this country, so that we now own two brass plants, one at Montreal and the other at Toronto. Both of them are needed. We are very close to the thin edge of our brass requirements. Both are in good hands. The plant at Montreal now in operation is turning out brass. Brass from that plant has already been used in ammunition orders; it is a finished product. The sheet metal plant at Toronto will be in operation very shortly.

In my opinion these were thorough business transactions, and I believe anyone who cares to inquire into them will find nothing to criticize about either.

Before taking my seat I do ask hon. members to be fair in their criticism. I do not object to fair criticism. I believe in fact that our department should be criticized. I believe criticism is helpful. I believe I never have shown any resentment concerning anything in the nature of fair criticism or a desire to seek information. I realize that it is in the best interests of good government to give all information any member can ask. I shall try to deal with criticisms fairly; but I do ask that hon. members do not take the offhand attitude that any individual member of our organization who cannot be here to defend himself is either acting dishonestly or is improperly carrying out the duties assigned to him.

Mr. HANSON (York-Sunbury): I rise only for the purpose of asking a question on a related matter. May I add that personally I have not criticized the minister's stand; I have praised him.

Mr. HOWE: Quite.

Mr. HANSON (York-Sunbury): In most cases the men in that department are doing good work. I could name some of them. For instance, Mr. Crabtree is one I would name,—a great business executive in Canada who is giving his entire time to service to this country—and he is giving us service of the very highest order. He may be guilty of errors in judgment—I do not know anything about

that; but certainly I never have criticized these gentlemen. Criticism, if any, has come from the minister's own friends more than from this side of the house.

With respect to the matter of treasury control over these government companies, it is my understanding with respect to Federal Aircraft that within a period of two or three weeks the position was changed, because they could not have unlimited control over expenditures of government money. What is the position with relation to these government plants which are being set up and managed, we will say by Canada Cable or Anaconda, through Allied War Supplies Corporation? What is the position as to observation and control of these companies by the treasury? Would someone in the ministry make the position clear so that the public, including myself, will have a clear understanding?

Mr. HOWE: Mr. Speaker, so far as construction and purchase contracts are concerned, the transactions are recommended to the government by Allied War Supplies Corporation. Those contracts are then approved by the government. The contracts are drawn by Allied War Supplies Corporation, but payments are made by treasury officers of the government, in conformity with the usual procedure. Vouchers are sent through in the usual way, certified by the officers of Allied War Supplies, signed by my deputy minister and passed on to the treasury.

So far as operating goes, the treasurer of each of these companies, or of each government-owned plant, is an officer of the Minister of Finance, and certain accountable advances are given the company. The work is carried out subject to the audit of the auditor general, who has a staff in very close touch with the plants. The accountable advance is given for working capital, and the operations then go on, subject to the supervision of the auditor general and the Minister of Finance, in the same way that the president and board of directors would have control over any private business.

Mr. HANSON (York-Sunbury): There is full control?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): That is what I wanted to know.

Mr. KARL K. HOMUTH (Waterloo South): Mr. Speaker, I do not wish to delay progress of the bill, and I would not attempt to refer in detail to what the minister has said respecting matters to which the hon. member for York West (Mr. Adamson) addressed himself. But as closely as I could follow the letter I concluded that there was at least some reason for some of the things said.

It is matters of this kind which give rise to suspicion in the minds of the people. The hon. member for Winnipeg South Centre (Mr. Maybank) made certain statements in the house a week ago, and returned to his subject again this week. On both occasions he spoke about the building of a cordite plant outside the city of Winnipeg, and the installation of heating equipment therein. From his statement in the house and from a careful reading of his speech one cannot help being led to the conclusion that in that plant there is an expenditure of $100,000 or $200,000 extra for heating purposes, and that that money could be saved.

These are matters which should be cleared up in the minds of the public. Speaking not only as a member of the Conservative party but as a Canadian I say the worst thing that can happen to our war effort is to have even the breath of scandal directed against it. Had I a thousand pieces of information of a scandalous nature I would refuse to take them up on the floor of the house at a time like this, because I believe we are all concerned with only one thing, and that is the winning of the war. Party politics have to go to one side. For that reason I say we should be most careful in the contracts we let and the way they are administered. I make that statement in all seriousness.

During the discussion on the resolution which preceded this bill I wanted on several occasions to ask the Minister of Labour (Mr. McLarty) to give us a clear explanation of the various orders in council passed in connection with the regulation of labour. For instance one order in council practically pegged wages at either the 1926-29 level or the present level, whichever was the higher. Another order in council was passed under which those engaged in war industries and requiring help were limited as to the manner in which they might advertise for that help. One order in council pegs wages and the other pegs labour at the job. These work disadvantageously to labour, and the Minister of Labour might give a clear explanation with regard to them. On several occasions I was going to ask him to explain this, but the time of the committee was taken up with the discussion of a heating unit at Winnipeg, with the discussion of wheat or butter or something else, which broke the whole trend of the discussion. Could the minister, when the bill is in committee, give an explanation of the various orders which were passed with

respect to the limitations put upon labour both as to wages and as to seeking employment in other industries?

Mr. THOMAS REID (New Westminster): Mr. Speaker, I should like to offer a word of commendation to the Minister of Finance (Mr. Ilsley) in connection with one aspect of raising the money needed to meet these expenditures. I refer to the war savings certificates campaign which has been in operation for the past number of weeks. More than 50,000 Canadians have given of their services freely and nobly without any hope of reward. A sum of over $150,000,000 has been, shall I say, given to the government by thousands of Canadians. All this speaks well for the spirit of our people. The good is twofold. First, it shows the willingness of the people to lend to the government and, second, thousands of our people are putting by for the day when the war will be ended. At that time they will have returned to them the savings which they so willingly gave to the government during these stressful times. I commend what has been done to the house and the country, and I congratulate the minister upon inaugurating this wonderful scheme.

Mr. NORMAN J. M. LOCKHART (Lincoln): Mr. Speaker, I should like to associate myself with the remarks of the hon. member for Waterloo South (Mr. Homuth). I have personal knowledge of employees in certain plants being seriously inconvenienced by the orders in council referred to by the hon. member. If the Minister of Labour (Mr. McLarty) could clarify the situation in the minds of employers and employees, it would prove helpful. I have in mind a number of instances in which employees have desired to make certain changes, but were told it was impossible under the provisions of the orders in council.

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

On section 1—Short title.

Mr. HANSON (York-Sunbury): I think the suggestion made by the hon. member for Waterloo South could properly come before the committee at this time. Personally, I should like to have an explanation from the ministry as to the effect of these labour orders in council.

Mr. ILSLEY: The Minister of Labour is not in the committee, and I am informed that he is going away this afternoon. I hope that the passage of the bill will not be delayed on this account alone. There are at least two opportunities of asking the minister to give that information later on.

Mr. HANSON (York-Sunbury): On this bill?

Mr. ILSLEY: It could be asked when we are discussing the supplementary appropriation bill, and the other occasion would be when the minister's estimates are being considered. If he were here, I would send for him, because he is the only one who can give the information.

Mr. BRUCE: I should like to ask the Minister of Munitions and Supply if consideration has been given to the erection of a high-powered short-wave station as a war measure, particularly in view of the possibility of one of the stations in England being destroyed.

Mr. ILSLEY: I would suggest that this question should be asked under the next section. This section deals merely with the short title, whereas the next section covers the appropriations, and any questions as to expenditures should be asked then.

Mr. HANSON (York-Sunbury): It is understood that the Minister of Labour will make the statement requested on either of the two occasions referred to by the Minister of Finance.

Mr. ILSLEY: In so far as I can bind him.

Mr. NICHOLSON: Just before six o'clock yesterday I asked a question of the Minister of Munitions and Supply with regard to a clause in the John Inglis company contract which reads:

> No member of the House of Commons of the United Kingdom of Great Britain and Northern Ireland or of the Senate and House of Commons of Northern Ireland or of the House of Commons of Canada shall be admitted to any share or part of this contract or to any benefit to arise therefrom.

No mention is made of members of the Senate of Canada and I was wondering whether that is an oversight.

Mr. ILSLEY: On a point of order, am I not correct, Mr. Chairman, in saying that a question of that type should not be asked when we are discussing the section relating to the title?

The ACTING CHAIRMAN (Mr. Fournier, Hull): The questions should relate to the section before the committee. I do not think this particular question should be put under section 1.

Mr. ILSLEY: It could be asked under the next section.

Section agreed to.

On section 2—Appropriation.

Mr. HOWE: Perhaps I could answer the question asked by my hon. friend opposite in connection with the erection of a high-powered short-wave broadcasting station. This matter has received a good deal of consideration, but it is not an easy problem to solve. Certain representations have been made by Great Britain that it would be desirable to have a station here. To be effective, however, the station would cost two or three million dollars to build and would require a large annual charge to operate. The Canadian Broadcasting Corporation obtains its funds largely from the sale of radio licences in Canada, and it is questionable whether funds so acquired should be used for broadcasting outside Canada. I think we can assume quite definitely that such funds should not be so used. It would be difficult, apart from a direct government grant, which in my opinion is not desirable. It is hard to know where the funds would come from to finance the operation of a station of this kind.

We have not, however, closed the door upon the matter. It was the subject of some discussion when my colleague and I were in Great Britain and, judging from subsequent correspondence, it is the view of the British government that the erection of such a station here is not now necessary for their purposes. Some day I assume we shall have a short-wave station, but I hope it will not be in a period when its chief use will be the supplying of propaganda to enemy and neighbouring countries. My hon. friend says that the contract is not clear, however, the independence of parliament act must be observed. That act is a statute of Canada, and as the law of the land it must be observed whether or not there is a clause in the contract referring to it.

Mr. HOMUTH: Not as regards a limited company.

Mr. HOWE: The independence of parliament act applies whether it is written into the contract or not.

Mr. NICHOLSON: But why is specific mention made of the House of Commons and no mention made of the Senate? How does that happen?

Mr. HOWE: I am sorry I cannot say because I did not draw the contract, but I assume that members of this house have not acquired that venerable and august appearance which distinguishes members of the upper chamber. The statute, however, is applicable to one chamber just as much as to the other.

[Mr. Ilsley.]

Mr. REID: As one who advocated last session a high-powered station for Canada, may I urge on the minister, when he is thinking of propaganda, not to think of propaganda only in connection with war. The whole economic life of the world is changing at this moment, and we may have to look for closer trade relations with other countries. We send out our trade commissioners, but we do nothing to back them up, and I believe that a high-powered radio station would serve a useful purpose in bringing Canada into touch with the countries of south America, if it served no other end. The government should take a broad view of the proposal instead of thinking only of propaganda which might be used for war purposes. I might add that propaganda is an effective weapon even in war time. I believe we are falling down in that respect. I do not think the people of Canada should be called upon to contribute by way of licence for the purpose I suggest; but in view of the millions we are now spending, we might well consider the erection of a high-powered broadcasting station.

Mr. ROSS (St. Paul's): The minister says that such a radio station would cost between $2,000,000 and $3,000,000. My information is that a short-wave high-powered broadcasting station would not cost more than $500,000. I was careful to get the facts before I spoke on the subject last year, and I was astounded to hear the minister mention that it would cost between $2,000,000 and $3,000,000.

Mr. HOWE: It all depends upon what sort of station is required. We had in mind a 50,000 watt station, which my hon. friend is quite correct in saying would cost about $500,000, but the sort of station Britain discussed with us was four 50,000 units, similar to the station at Daventry, and that cost about $2,500,000.

Mr. ROSS (St. Paul's): With the improvements that have been made in broadcasting, the sending out of radio direction signals and so forth, would not a modern station of the type I have in mind costing $500,000 be able to do very good work? Is it necessary with the modern apparatus we have to-day to have such a high-powered station as four 50,000 watt units? Many improvements have been made in the last few years, and I certainly think we should erect a new high-powered station, not only because of the position of Great Britain but because it would help us to keep in contact with the countries of south America. At the present time Canadians are not permitted to travel to south America, or to the United States to any considerable extent, and I think the Minister of

Trade and Commerce (Mr. MacKinnon) ought to welcome a station of this kind as a means of developing our trade and keeping in touch with the south American republics, Mexico and the United States.

Mr. HOWE: We always had a station in contemplation as a peace-time project, and we had in contemplation for some years the type of station my hon. friend suggests, a 50,000 watt station, costing about $500,000, which could be used to help marketing Canadian products. But what has held that back is that we could never find any department of government that would give us $500,000 for capital expenditure on such a station, however much they might be for it in theory. I think that is the type of station we shall have some day, but the Daventry station, which is similar to the type of station we have been discussing with Great Britain, is a very much more powerful station and one that can be used for broadcasting propaganda all round the world.

Mr. HOMUTH: Why not let the Minister of Trade and Commerce build it instead of taking the census this year?

Mr. ROSS (St. Paul's): I do not want to appear too persistent, but the value of our motion picture bureau and the work it is doing are recognized, I think, by everybody; and in considering the erection of a short-wave station, we would do well to bear in mind the results that have been obtained from the motion picture bureau.

Mr. HANSON (Skeena): Has any consideration been given to the requests that have been made by the people of central and northern British Columbia for improved radio reception? It is practically impossible and has been so ever since we had the radio to get Canadian news in northern British Columbia from Canadian stations. All we are getting is United States news, and in view of the licence fee we have to pay we feel we ought to be able to get Canadian news. Some of the news we get from the south at the present time is not desirable for some of our people, and I know that several requests have been made from boards of trade and other organizations in our province for improvements to ensure better radio reception in northern British Columbia from Canadian stations. I understand, as a matter of fact, that about half the radio owners in the northern part of the province are not paying the licence fee because they cannot get Canadian stations.

Mr. HOWE: It is true that there is a small vote in these estimates for radio for war use, but I hardly think this is the proper place for a general discussion of radio. I may say, however, to the hon. member for Skeena that the broadcasting corporation have been considering for some time the problem of serving northwestern British Columbia, but the problem is a difficult one in that it would require a very large expenditure to serve a very small population, and the corporation have not been able so far to adjust their finances to let them do it. But the matter is still receiving consideration.

Mr. STIRLING: They have been considering it for four years.

Mr. BLACK (Cumberland): Is a short-wave channel reserved for Canada, and is there any danger of some other country usurping that wave length if we do not use it? Personally I agree with the hon. member for New Westminster and the hon. member for St. Paul's that even at some sacrifice we should establish a short-wave service in Canada.

Mr. HOWE: We can always get a short-wave channel.

Mr. BLACK (Cumberland): Has a short-wave channel been allocated to Canada?

Mr. HOWE: No; but we can always get one.

Mr. HANSON (York-Sunbury): May I change the subject from broadcasting to fish? Our much overworked Minister of Fisheries (Mr. Michaud) has not had anything to do lately, and I should like to have an explanation from him as to the expenditure of $158,000 for lobster control in the last year and as to the proposed expenditure of $600,000 for the coming year. I should like him to give a pretty full statement.

Mr. RALSTON: Which clause is my hon. friend referring to?

Mr. HANSON (York-Sunbury): To lobsters, under this clause.

Mr. MICHAUD: The $603,000 proposed to be spent this year, is divided into two items. First, there is an amount of $3,000, which is the estimate of possible expenditures that may be required to cover the costs of the advisory board that had to be set up, composed of producers and exporters of fish to Great Britain. The importation and distribution of fish in Great Britain having been taken over by the British government, under the food controller, it was necessary to have a central organization in Canada to negotiate with the food controller, and it has been requested by the industry and by those who are interested in the export of fish that the government set up some central body to coordinate relations with

the British food controller. To that end it was thought advisable for the department to take the responsibility of organizing an advisory board, which comprises persons interested in the business, the leading exporters of the country.

Mr. HANSON (York-Sunbury): Has the board been set up?

Mr. MICHAUD: Yes.

Mr. HANSON (York-Sunbury): Who are the members of the board?

Mr. MICHAUD: So far, the necessities of the trade have required the setting up of a board only on the Atlantic coast. There is one representative from a firm in Sydney, Mr. Nickerson; there is Mr. Connors of Halifax, representing the Maritime Fish company; from Lockeport there is Mr. Swim; and Mr. Smith represents the fisheries in Lunenburg. In my opinion, they represent the only companies that put up and export frozen fish to Great Britain.

Mr. HANSON (York-Sunbury): They are fresh fish exporters.

Mr. MICHAUD: Yes, frozen fish. The food controller in Great Britain has asked that frozen fillets of cod be put up in a certain way and has given definite specifications; and in order to facilitate the provision of ship space, and to deal with the food controller in Great Britain, it has been deemed advisable to have these exporters recognized officially as a board in Canada working under the direction of and consulting with the deputy minister of fisheries. A board will be set up on the Pacific coast comprising exporters of frozen and canned fish in that part of the country, but up to the present time the necessity has not made itself felt for the constitution of that board, because on the Pacific coast the exporters themselves sent overseas a representative to consult with the food controller. On his advice the fish exporters on the Pacific coast, who are well organized, will make suggestions to the department as to whom they wish to have recognized officially as the representatives on their advisory board. The sum of $3,000, it is estimated, will be required to cover the cost of travelling of these advisers. That is one of the items making up the $603,000.

Mr. HANSON (York-Sunbury): The minister has spoken of frozen cod fillets. Does the food controller take no other kind of frozen fish—chilled haddock, for example?

Mr. MICHAUD: No. The specifications laid down do not indicate that he will take any other kind of frozen fillet, but the advisory board are trying to convince him that consumers in Great Britain could be persuaded to accept other kinds of frozen fillets which could be put up cheaply and in larger quantities by Canadian producers. We had word recently from the British food controller that the British government would send one of their representatives to Canada to consult with Canadian exporters with a view to reaching some agreement. People in Canada may not realize the difficulty in dealing with the food controller just now, because the English people are not used to Canadian frozen fish except halibut and frozen salmon, which are considered as luxuries at the present time. An attempt has been made to import cheaper frozen fish from Canada, but the English taste must be cultivated.

Mr. HANSON (York-Sunbury): No luck yet?

Mr. MICHAUD: No; and of course there is the difficulty of transportation. The exporters are faced with many difficulties, and they feel that they should be recognized by the Canadian government and constituted as an advisory body. They wish to have some official recognition and some authority in dealing with the British food controller. That is the purpose for which the $3,000 is required.

Mr. HANSON (York-Sunbury): Has any of it been spent?

Mr. MICHAUD: No.

Mr. HANSON (York-Sunbury): Was there any such fund last year?

Mr. MICHAUD: Yes. As soon as the British government placed the import of fish under the food controller, we set up the committee and we have spent $150 since last November. I believe the board had two meetings. This amount is to cover expenses.

Mr. HANSON (York-Sunbury): They do not draw salary?

Mr. MICHAUD: No.

Mr. HANSON (York-Sunbury): That is the $3,000.

Mr. MICHAUD: I do not think we shall spend that amount. That is the limit.

Mr. HANSON (York-Sunbury): What about the $600,000?

Mr. MICHAUD: That is provided as a working capital in connection with lobster. This committee will recall that shortly after the outbreak of the war, the British government declared certain imported foods as luxuries and their import into Great Britain was virtually prohibited. Up to that time for many years since the canned lobster industry started in Canada the pack was exported to Europe to the extent of about 85 per cent.

Mr. HANSON (York-Sunbury): What is the value in a normal year?

Mr. MICHAUD: About $2,000,000. A month after the outbreak of the war, the market for that old-established industry was absolutely wiped out and the export to continental countries like France, Germany and Norway was destroyed by force of circumstances.

Mr. HANSON (York-Sunbury): By force majeure.

Mr. MICHAUD: I might say "torpedoed" by the declaration of war. But the export to Great Britain, which constituted the bulk of the trade in canned lobster, I would say an average of about 60 to 70 per cent—

Mr. HANSON (York-Sunbury): Was it not nearly all sold there and largely distributed on the continent from there?

Mr. MICHAUD: Well, yes and no. We had some exports direct to France, Germany and Norway, but the great bulk was to Great Britain. The exporters had very old-established trade connections. This business was a cash one, well established; it was destroyed by the declaration of the British government that canned lobster was a luxury, in consequence of which no sterling was available to buy it in this country. This meant that a $2,000,000 industry had to be abandoned or else new markets found. Producers and exporters appealed to the government for help. We asked them to come to Ottawa and consult with us and the officials of the department, and it was finally decided that the government would guarantee the marketing of the coming pack, beginning May, 1940. This encouraged the packers to make advances to the fishermen. The fishermen went on fishing as usual, and the department stood by its undertaking and agreed to take all of the pack that would meet the inspection requirements.

Mr. HANSON (York-Sunbury): That is the entire pack?

Mr. MICHAUD: Yes; we undertook to take the entire pack if it was offered to us.

Mr. HANSON (York-Sunbury): Without any limitation at all?

Mr. MICHAUD: Eighty per cent.

Mr. HANSON (York-Sunbury): Eighty per cent of the entire pack, but no limitation on the amount of the pack? If they doubled the pack, you were still prepared to take eighty per cent?

Mr. MICHAUD: To the extent of 55,000 cases.

Mr. HANSON (York-Sunbury): Oh, then there was a limitation.

Mr. MICHAUD: Yes, to the extent of 55,000 cases.

Mr. HANSON (York-Sunbury): What is the relation of 55,000 cases to the average pack?

Mr. MICHAUD: Eighty per cent.

Mr. HANSON (York-Sunbury): That would be eighty per cent of an average pack?

Mr. MICHAUD: For the last five years.

Mr. HANSON (York-Sunbury): Was consideration ever given to the question of giving the lobster industry a rest at this time? If the minister will allow me, I should like to suggest that the time has come when the government should give consideration to the question of conservation of this wonderful food supply. I know there will be some distress. I have watched this thing all my life. When I was a boy we used to fish lobsters in Passamaquoddy bay on the neap tides with a pole and hook, and you would get a bushel basket of merchantable lobsters on any neap tide in the months of May and June. To-day you could not get a lobster if you searched there for a month. The change that has come over this industry in fifty years is so alarming that, in my opinion, if something is not done, within our lifetime the lobster fisheries on the eastern coast will become a thing of the past. It is distressing to go to Shediac or such places and see the size of the lobsters that are being canned—baby lobsters. Fresh lobsters are one of the finest foods in the world, but they are disappearing. What consideration has the minister and his officers given to conservation of this resource during this time of war? It seems to me a grand opportunity to do something in the way of restriction. I do not mean the elimination of the entire pack.

Mr. MICHAUD: I agree that some measure of conservation should be adopted. This was realized some time ago. In the last few years restrictions have been placed on the length of the season during which lobster fishing is permitted. Gradually the length of the season during which lobsters can be legally caught is being cut shorter and shorter.

Mr. HANSON (York-Sunbury): What does that restriction amount to?

Mr. MICHAUD: In most districts the open season is only six weeks in the year. Of course we have a reaction from the fishermen who claim that their rights are being curtailed. We are also placing a minimum limit on the size of lobsters that can be caught.

Mr. HANSON (York-Sunbury): How is that observed?

Mr. MICHAUD: Fairly well.

Mr. HANSON (York-Sunbury): Is there any restriction on the number of traps that may be set in a particular period of time? Is there any restriction on overlapping in the laying of traps? A lobster has not a chance for his life in some sections.

Mr. MICHAUD: Limiting the number of traps which any fisherman may put in the water is very difficult to enforce. But we are limiting them to using the traps in only one season of the year, licensing one person to fish only once during the year, or one licence to one fisherman a year. Then we are not permitting a man to lease his traps to another fisherman in another season.

Mr. HANSON (York-Sunbury): Would the minister make that clear? Does that mean that a lobster fisherman who is licensed to fish in one area for a limited period cannot move on to another location at another period.

Mr. MICHAUD: That is right. Those are the three restrictive measures which have been adopted to conserve the lobsters: curtailing the length of the season; prohibiting persons from fishing in two areas during the same year, and limiting the size of the lobsters that may be legally taken out of the water. In most areas around the Nova Scotia coast the size now is nine inches, but in those areas lobsters are fished for the live lobster trade, the export trade.

Mr. HANSON (York-Sunbury): Which is the real business after all.

Mr. MICHAUD: We hope that eventually most of the trade will be of that kind. In other districts, where distances are longer or the fishing areas are distant from large centres of population, where heretofore difficulty of transportation existed, the lobster fishermen can their lobsters, and naturally a smaller size is permitted. Last year we took a step which had been considered in the department for some time, and placed a minimum size on all lobsters caught in Canadian waters. Of course this had the effect of curtailing the pack; there is no doubt about that.

Mr. HANSON (York-Sunbury): That was the intention, was it not?

Mr. MICHAUD: To a considerable extent; and the indirect result was that a certain number of lobsters were left a year longer in the water than they would have been if a minimum size had not been established. These are the three measures which have been taken in an endeavour to conserve the lobster industry, as my hon. friend has suggested. With regard to the expenditure of $600,000—

Mr. HANSON (York-Sunbury): Just before the minister leaves the question of conservation, have he and his officers considered the question of promoting the export trade in fresh lobsters, vis-à-vis the canned lobster trade? What would be the effect on the individual fisherman? These are days of rapid transportation. Trucks are operated clear from Shediac to Boston, which is the outlet for our live lobsters. I have eaten lobsters in Florida that were brought by plane from New York.

Mr. MICHAUD: So have I.

Mr. HANSON (York-Sunbury): And of course we paid something for them. They had nothing like them in the south. What would be the effect on the individual lobster fisherman if he sold fresh lobsters only instead of selling his catch to the canneries? My own view, speaking subject to correction, —and perhaps I am a little rash in making the statement—is that he would get three dollars for every one he gets now; that for the lobsters he exported to the luxury trade in New England he would get three times as much as he is paid by the canned lobster trade, which now is nearly non-existent. Lobster consumption has gone down. The minister will find himself with a very large quantity of canned lobster on his hands when he gets through spending this $600,000, and I do not know where he is going to dispose of it. It cannot go overseas, and I do not think either the New England or the Canadian people will take it unless it is very cheap. What is the minister's opinion with respect to transforming the fisherman's business into one in which he sold only fresh lobsters? I think it could be done, and that it would be all to the good so far as the fisherman is concerned. Just take the status of the lobster fisherman in Shelburne-Yarmouth, around that end of the bay of Fundy or in Kent county, New Brunswick. What is the position?

Mr. MICHAUD: In the first place, the fresh lobster market is the luxury market, and the quantity of fresh lobsters that can be absorbed by that market is limited.

Mr. HANSON (York-Sunbury): In the home market?

Mr. MICHAUD: In the home market as well as the United States market.

Mr. HANSON (York-Sunbury): Oh, I think there is an unlimited market over there.

Mr. MICHAUD: To-day practically all the lobsters caught along the coast of Maine, around the southern coast of New Brunswick, and in the Bay of Fundy, are exported to the United States market. Fresh lobsters must be consumed quite soon after they are out of the water; they cannot be conserved or kept in cold storage for any length of time.

Mr. HANSON (York-Sunbury): Lobsters may be kept alive all summer in a pond. Go to St. Andrews and you will see them fished out every day.

Mr. MICHAUD: Exactly. Then we must take account of the fact that the canned lobster industry has been established for some time; that a large amount of capital is invested in it, and that a certain number of fishermen and also a number of cannery men and fish exporters depend upon that industry. In order to transform it into a more modern method of marketing, time is required. We cannot overnight, or even in a year or two, absolutely wipe out the investments of the last thirty or forty years and change the industry entirely. That takes time.

With that in view, for some years past the department has been encouraging the keeping of lobsters in ponds. We have licensed people who will invest the money necessary to keep lobsters the year round, and market them. This has been quite successful, and of course the demand of the market is practically the limit of that branch of the industry. Those who go into that business have a very good and profitable market, but as I said before, the ability of this market to absorb lobsters is limited, and the amount of fresh lobsters marketed is limited by the demand. It is certain that along the coast from Prince Edward Island, the northern part of New Brunswick, the strait of Northumberland, the coast of Kent county, Northumberland county and Westmorland county, there were no live lobsters exported three or four years ago. At the present time throughout the fishing season, from May 10 until the end of June or the first week of July, trucks especially fitted with tanks leave New Brunswick practically every night and arrive in Portland the next morning. There the lobsters are loaded on trains and reach the Boston market the following noon. However, as I have said, this market has a limit. There is no doubt, of course, that the development of this branch of the industry has had its effect on the canning branch. Last year the reduction in the pack of canned lobsters was due partly to the profitable fresh lobster market which the fishermen had.

Mr. HANSON (York-Sunbury): What does the minister now propose to do with the 55,000 cases? That is important.

Mr. MICHAUD: I do not propose to do anything, because the 55,000 cases were all sold out, three weeks ago.

Mr. HANSON (York-Sunbury): To whom?

Mr. MICHAUD: To United States and Canadian consumers. Last spring the department estimated that a million dollars as a possible working capital would be required to turn over the pack of that year. We asked for an advance of $173,000.

Mr. BLACK (Cumberland): What for?

Mr. MICHAUD: Working capital.

Mr. BLACK (Cumberland): What was the profit or loss last year?

Mr. MICHAUD: I will come to that. We asked for a first advance of $173,000, as working capital. We did not know how the trade would be affected, or what we would have to do. That was the first venture we had made. Fortunately, we did not have to use that advance of $173,000. We took all the canned lobster offered to the lobster controller, provided it met with the established inspection standards, and sold it. The cost to the department was about $12,000.

Mr. HANSON (York-Sunbury): That was a total loss to the department?

Mr. MICHAUD: Yes.

Mr. HANSON (York-Sunbury): Was that a loss in sales?

Mr. MICHAUD: No; there was a margin of profit on sales. But the actual cost of setting up provisions for the marketing of that lobster was about $12,000. Only 20 per cent of the pack was offered to us. Of course we encouraged the packers to sell their own pack, because the department was not interested in ousting them from their business, taking their place, or disturbing the usual business practice they had established. It was our intention simply to encourage them; that we did. It cost us $12,000 and established a new market for the Canadian industry. Up to last year the United States market absorbed only 10 per cent or 12 per cent of the pack.

Mr. HANSON (York-Sunbury): That is canned lobster?

Mr. MICHAUD: That condition arose from two causes: First, there was the competition of Japanese and Russian crabmeat, and there was the further cause arising from inferior quality in the pack our fishermen were offering to the United States market. Last year we made a determined effort to break into the United States market. We circularized the packers urging them that their

goods should be produced as first quality. That was done to meet the main objection offered by the United States buyers.

By cooperation between the packers and the departmental officials we were successful in enlisting the good-will of the United States buyers, and succeeded in obtaining their agreement to give another trial to the Canadian product. As a result, we marketed last year in the United States 66 per cent of the pack.

Mr. HANSON (York-Sunbury): At what price?

Mr. MICHAUD: There were three grades at prices of $16, $17 and $18 respectively, if I remember correctly. We did that through connections we succeeded in establishing with chain-store buyers from the United States who were willing to give a preference once more to the Canadian product. Further, we succeeded in convincing the Canadian consumer to give greater consideration to Canadian canned lobster.

The surprising fact is that in the five years preceding last year, out of an average of 85,000 or 90,000 cases no more than 5,000 were consumed in Canada. Last year, however, we consumed in this country from 35 per cent to 40 per cent of the Canadian pack. The result was that we disposed of last year's pack on the Canadian and United States markets to the point where three weeks ago none could be found in Canada. The market was short.

Mr. HANSON (York-Sunbury): That seems to be a successful operation. In view of it, does the minister require $600,000 working capital this year?

Mr MICHAUD: Again this year we do not know what the conditions may be. The catch might be much larger than it was last year, and larger quantities may be placed on the market.

Mr. HANSON (York-Sunbury): Is that desirable?

Mr. MICHAUD: From the viewpoint of conservation, it is, strictly speaking, not desirable; but when the lobsters are in the water, we may be sure the fishermen will catch them and offer them to Canadian consumers. That is practically the only cash crop of the fishermen on the Atlantic coast.

Mr. HANSON (York-Sunbury): There is something in that.

Mr. MICHAUD: It is an important paying crop—

Mr. HANSON (York-Sunbury): The minister is absolutely right, there.

[Mr. Michaud.]

Mr. MICHAUD: —and it would be difficult to convince the fishermen that they should not take advantage of it. My hopes are that if we have to use the $600,000 as working capital, we might make a profit rather than have a deficit in the coming year.

Mr. HANSON (York-Sunbury): What the minister has said with respect to the lobster fisheries being the only cash crop of the fishermen on that coast is absolutely right. In the light of that fact, while I shall not now press the Minister of Fisheries for an answer, I advise him that when his estimates are before the committee I shall ask him what he is doing for the other fishermen on the Atlantic coast, as well as for those on the Pacific coast. As I indicated last summer, there can be no question that the fisherman, at least in eastern Canada, is the forgotten man. His position is deplorable to-day in most centres.

For instance, the smoked herring trade of Grand Manan island is shrinking to almost nothing. When I was a boy it was the staple product of 3,000 people. I know that, because we were directly connected with the trade, and supplied practically all the boxes in which they were packed. As a boy I had an intimate knowledge of the trade. To-day it amounts to nothing. I know the efforts which have been made by the marketing board to nurture it, and when the time comes I shall ask the minister what he proposes to do for those people. My colleague now wishes to ask some questions about the lobster board.

Mr. BLACK (Cumberland): Has the minister given consideration to the bonusing of the lobster fishing industry for not catching lobsters, as a solution or partial solution of the difficulty. We know that action is being taken to help solve the wheat situation in the prairie provinces. They are offered a bonus for not producing wheat. The waters surrounding my constituency constitute the finest lobster fisheries in the world. I suppose the same could be said for the waters in the constituency of the hon. member for Prince. I should like to know if the lobster fishermen in Cumberland, Prince and other counties are to receive a bonus for not catching lobsters, in order that the lobster industry may be conserved.

Mr. MICHAUD: Has my hon. friend tried to convince the fishermen of Cumberland or Prince or Yarmouth that they should not fish when the lobsters are there?

Mr. HANSON (York-Sunbury): They want both the bonus and the fish.

Mr. MICHAUD: There is a demand for this product on the Canadian market. The suggestion might be in order if there were a

surplus, but actually there seems to be a shortage. During the last three weeks inquiries have been received from large distributors in Canada and the United States for canned lobster. Under such circumstances I do not think it would be wise to pay people not to carry on this profitable industry.

Mr. BLACK (Cumberland): The main purpose would be to conserve the lobster industry.

Mr. MICHAUD: We are trying to conserve the lobster industry. At the same time we are trying to take advantage of the markets that offer. These factors must be taken into account in an effort to satisfy the people who depend upon this industry for a livelihood, and at the same time to conserve the industry.

Mr. KINLEY: You are able to sell the lobsters?

Mr. MICHAUD: Yes. The leader of the opposition suggested that something should be done to help the industry, and he referred to the smoked fish or smoked herring industry. At one time this was a profitable industry on Grand Manan and other islands in those waters. However, world conditions have changed. This product was put up largely for export, but the people living in countries which took this product are now demanding a different kind of fish.

Mr. HANSON (York-Sunbury): Is that correct, or is it not that they cannot find the money with which to buy them?

Mr. MICHAUD: Both. They are asking for a cheaper fish which cannot be obtained in Canada. We cannot compete with Newfoundland and Norway in putting out certain varieties of cheaper fish. This is a difficult problem which we have to face. It has confronted all governments, and all those who have occupied the position which I now occupy.

Mr. BLACK (Cumberland): Who constitute the lobster board?

Mr. MICHAUD: Mr. Lee of Halifax is the administrator.

Mr. HANSON (York-Sunbury): Is Mr. Magee on that board?

Mr. MICHAUD: He was on the advisory board when the board was first set up. There is Mr. Tidmarsh of Charlottetown and Mr. McInerney of the United Maritime Fishermen's Union.

Mr. BLACK (Cumberland): What expenditures were necessary in connection with this board? The Minister of Finance has told us that no partisanship is to enter into these expenditures, and I should like to have the assurance from the minister that this principle has been applied to all appointments and to all rentals of premises in connection with the lobster board.

Mr. MICHAUD: It does apply as far as I am concerned. The gentlemen who compose the board were not known to me before their names were suggested by the deputy.

Mr. BLACK (Cumberland): Does the board appoint the staff?

Mr. MICHAUD: The deputy minister is the lobster controller, and he appoints the staff. Mr. Magee is the only one who was known to me. I knew Mr. McInerney slightly because of his connection with the United Maritime Fishermen's Union. There was considerable difficulty last year in obtaining suitable quarters. In Charlottetown it was necessary to take quarters in the skating rink or auditorium. In Halifax we were able to get space in the harbour cold storage plant.

Mr. HANSON (York-Sunbury): That is for storage purposes?

Mr. MICHAUD: In New Brunswick we had some difficulty in Shediac, but it happened that an English packing firm had to discontinue business because it could not export its products, and we leased its premises for a short time during the season.

Mr. HANSON (York-Sunbury): What is the cost of operating the board?

Mr. MICHAUD: There was a deficit of $12,000.

Mr. HANSON (York-Sunbury): That is for last year; what is the estimated cost for this year?

Mr. MICHAUD: If we have the required volume, we expect to have a profit.

Mr. BLACK (Cumberland): How many cases were involved in this deficit of $12,000?

Mr. MICHAUD: Twenty thousand cases. We try to find markets for the established trade rather than take over ourselves. This year if it is possible we will do the same, and if we have the volume we shall make a profit on what is turned over to us. We had a set-up —we had to provide it at the beginning of the season—to handle a business of $1,000,000.

Mr. GREEN: May I ask the Minister of National Defence to tell us the channel through which it is planned to raise reinforcements for the active army. An announcement was made early in the year that Canada would require from 40,000 to 80,000 men this year, and as I understand it the procedure before was to raise them through depots—that is, the regiments overseas would have a depot at home which would raise the necessary reinforcements. But recently there seems to have

been a change made, to have the reinforcements come in through the reserve units. That may be all right, but I would point out to the minister that in at least some cases these reserve units were recruited last summer after the fall of France, and older men and men with families enlisted in these units for the purpose of being prepared to defend Canada should that be necessary. A great many of them I think could not go overseas. It does seem to me that there is danger of the government getting its wires crossed on these reinforcement plans if it is intended to recruit the reinforcements entirely through the reserve units. It is very discouraging to the reserve units to be called on for reinforcements and find themselves in the position of not being able to respond at once because of the type of men they have in the unit. Will the minister tell us just what the plan of the government is and how many men have so far been recruited this year for the active army?

Mr. RALSTON: The question, Mr. Chairman, will require quite a long statement in answer. As a matter of fact, as I intimated to the committee the other day, the Minister of National Defence for Air and the Minister of National Defence for Naval Services and myself have had a committee together in an endeavour to prepare a statement in words of one syllable, if I may put it that way, so that the recruiting system may be understood.

If I may take a moment or two before the committee rises, the system is this. At the moment, just as I am speaking, a call has gone out for reinforcements for a certain quota. I shall not give the serial number of the quota but I can tell my hon. friend the number of the reinforcements. The number of the reinforcements for this particular quota will be 6,000 other ranks. That quota is prepared at National Defence headquarters and is sent out to the military districts, the basis being the relation of the number of artillery units in the different districts, the number of artillery recruits required from the whole of Canada for this quota is 1,576, to be exact. As I have said, that number is divided amongst the different districts on the basis of the number of reserve artillery units which are there. And the same with the engineers; but there the number required is less. Each district is given its quota to raise. The same with the signals, each district being included in the quota. For the armoured corps the number required is 731, divided among the different districts. For infantry—that is, rifle battalions—there is a call on four districts only of the eleven districts in Canada and for infantry, machine gun units, there is a call on only one district. For the R.C.A.S.C. there is a call on all districts, 894 recruits being required, and for the R.C.A.M.C. there is a call on nine of the eleven districts. For the R.C.O.C., the ordnance corps, there is a call on the whole eleven districts, and for the provost corps the same For coast defence there is a call on the coast districts only, Nos. 6, 7 and 11; and for the forestry corps there is a call on four districts altogether.

What happens is this, that the district officer commanding gets the list, and having a call for a certain number of artillery personnel he allots them among the reserve artillery units in the district to give them all a chance.

Mr. HANSON (York-Sunbury): The troops are taken from there first?

Mr. RALSTON: Yes. The district officer commanding knows long before he gets this call about how many men in a particular unit are ready to enlist if the call comes. The district recruiting officer has kept in touch with the commanding officer and the recruiting officer advises the district officer commanding.

I am informed that, speaking roughly, one-third or more of these men will be got from the reserve units; that they are prepared now to furnish at least one-third of the number required The other men will be obtained through enlistments direct at the district depot of men who come in off the street, to use the phrase I used in answering my hon. friend the leader of the opposition the other day. These men who come into the district depot and enlist there will be documented at the depot and then be sent along with the men who have come in from the reserve units —the one-third I mentioned a moment ago— and go to the training centre.

Mr MacNICOL: Will these new recruits be eligible for overseas service?

Mr RALSTON: This quota is all for overseas service.

Mr. HANSON (York-Sunbury): Will public notice be given as to how many enlistments will be accepted at a particular military depot? Many men will come in and be disappointed —I have seen them turned back—unless they know just what the number required is.

Mr. RALSTON: I have not seen the advertising that is done, but as members of the committee know, there is an allotment for each district for advertising for recruits. I was talking with the officers this morning and I asked that very question myself. It seemed to me that there was no reason why the public should not be advised how many men were wanted; that would prevent men from being disappointed when they come in and having to go home again. I see no reason why that should not be done. They told me

that it is done in some cases, that they advertise that so many men are wanted for a particular arm of the service.

I have given a very rough outline of the procedure, in answer to the question of the hon. member for Vancouver South, and I should like an opportunity at some time to amplify it because it is useful information for members of the house and for the public too.

I just want to say this, in addition. I said to my hon. friend the other day that the recruiting offices were not open every day. I should have qualified that by saying that they are not open every day for recruiting for every arm of the service. For instance, in connection with this particular quota, vacancies will probably not be open for men who come in off the street to enlist in infantry units, and if they are open it will be only in a few districts. I am informed by my officers that it is probable, however, that infantry men in very limited numbers could be taken on even though not included in this quota because probably they could be used in the next quota. Generally speaking I think I can say that for the artillery, engineers, signals, the armoured corps, and probably the ordnance corps as well, there is opportunity in every district for a limited number, and only a limited number, of men who enlist off the street in addition to the men who come in from the reserve units.

The last thing I want to say is that the commanding officers of the reserve units, who receive pay for organization and recruiting, the commanding officers and the officers concerned have as one of their primary duties, in justification of the salary which is paid them, to see that their unit is organized and prepared to furnish a reasonable quota of men for the unit which their unit is reinforcing overseas. Secondly, and perhaps, along with that, they should make every effort to see that the unit is kept filled with men who will be able to take the place of those who have volunteered for overseas service.

Mr. GREEN: Does that mean that you do not want in the reserve units the older men who would be available to defend Canada but not to go overseas?

Mr. RALSTON: The other day I invited an expression of opinion from the committee, though I have not heard anyone say anything, as to whether or not the time had come when the reserve units, henceforth, should be confined to men of A and B categories instead of including category C as well. In connection with the training centres, the regulations which have been laid on the table indicate that in those centres we are only taking men of A and B categories who would be qualified physically to go overseas if the opportunity offered. As a matter of fact, the officers commanding the reserve units have been asked to see to it, though not by shoving men out, that in connection with their enlistments some attention shall be paid to the possibility some day of an opportunity being given to their unit to be mobilized for overseas service, ensuring that the physical condition of the men shall be such that they will not have to drop a great number who would really like to go overseas but could not for physical reasons.

Mr. HANSON (York-Sunbury): That is not settled yet?

Mr. RALSTON: That instruction went to the officers, but the matter is not settled as to whether the category for enlistments in the reserve unit is to be definitely limited entirely to A and B category.

Progress reported.

On motion of Mr. Crerar the house adjourned at six o'clock.

Monday, March 24, 1941.

The house met at three o'clock.

RUSH-BAGOT AGREEMENT

EXCHANGE OF NOTES AS TO APPLICATION AND INTERPRETATION IN LIGHT OF PRESENT CONDITIONS

Hon. T. A. CRERAR (Minister of Mines and Resources): At the request of the Prime Minister (Mr. Mackenzie King), who is absent to-day, I wish to make the following statement:

1. I am tabling, for the information of members of this house and for distribution, the following documents, both in English and in French:

Exchanges of notes, June 9, June 10, 1939, and October 30 and November 2, 1940, between the Under-Secretary of State for External Affairs and the United States Minister to Canada, relating to the application and interpretation of the Rush-Bagot agreement.

2. The Rush-Bagot agreement was embodied in an exchange of notes between His Majesty's minister at Washington and the United States Secretary of State, concerning the naval force to be maintained on the great lakes (Washington, 28-29, April 1817). This exchange is to be found in the publication filed in the Department of External Affairs, entitled "Treaties and Agreements Affecting Canada, in force between His Majesty and the United States of America, with subsidiary documents 1814-1925" at pages 12 and 13. This volume is, of course, available

to members of this house and to the public generally in all libraries, but for the convenience of the members of the house I shall read into the record a short excerpt from Sir Charles Bagot's note, which sets forth the operative provisions:

> His Royal Highness, acting in the name and on the behalf of His Majesty, agrees, that the naval force to be maintained upon the American lakes by His Majesty and the government of the United States shall henceforth be confined to the following vessels on each side—that is:
>
> On Lake Ontario to one vessel not exceeding one hundred tons burthen and armed with one eighteen-pound cannon.
>
> On the upper lakes to two vessels not exceeding like burthen each and armed with like force.
>
> On the waters of lake Champlain to one vessel not exceeding like burthen and armed with like force.
>
> And His Royal Highness agrees, that all other armed vessels, on these lakes shall be forthwith dismantled, and that no other vessels of war shall be there built or armed.
>
> His Royal Highness further agrees, that if either party should hereafter be desirous of annulling this stipulation, and should give notice to that effect to the other party, it shall cease to be binding after the expiration of six months from the date of such notice.

3. In modern terminology it may be said that this was an agreement for quantitative and qualitative naval limitation on the great lakes. It is more than a century old and for a good while both Canada and the United States have mutually recognized that the technical scheme and definitions do not fit the actual present-day conditions, and that in fact they can reasonably and safely be waived without vitiating the underlying political spirit and objective which must be maintained.

4. It is clear from a study of the documents relating to the negotiation of the agreement and its early history that the objective of the negotiators was to provide a solution of an immediate and urgent problem arising out of the war of 1812, and the terms of the agreement themselves support the view that its indefinite continuation in force was not anticipated. The governments of Canada and the United States have in fact from time to time by informal interchanges mutually recognized certain variations from the technical scheme and definitions. The agreement itself, however, has survived unchanged for more than one hundred and twenty years, and with the passage of time has assumed a symbolic importance in the eyes of the peoples of Canada and the United States.

5. Recent negotiations between the Canadian and United States governments, affecting the agreement, took place in June, 1939. It was the desire of the United States government at that time to substitute other naval vessels of larger tonnage for certain naval vessels already in the great lakes. The United States government also desired to use these vessels for training purposes and to equip them with armaments of heavier calibre than those permitted under the terms of the agreement. It was found possible to give effect to the wishes of the United States government by means of an informal exchange of notes and without the necessity of amending the agreement itself in any way.

6. The outbreak of war brought about the need for a further understanding between the two countries with regard to the problem of naval construction on the great lakes. It was therefore suggested by the Canadian government that a further "interpretation" of the Rush-Bagot agreement be made, without involving any deviation from the basic intent of the agreement, namely that important naval vessels should not be built for service on the great lakes. An understanding was accordingly effected by an exchange of notes in November, 1940, to the effect that armaments might be installed on vessels built in great lakes shipyards, but dismantled for the voyage to the sea.

7. It will be observed that the exchanges of notes, now being tabled, are in the nature of informal understandings as to the interpretation and application of the original agreement. They are not intended to rescind the Rush-Bagot agreement or to prejudice in any way the principles underlying that agreement or the underlying political spirit and objective which both countries have maintained. The position is continued whereby the great lakes are recognized as being an area in which naval armaments are not maintained by either country. At the same time, an arrangement has been worked out whereunder the resources of both countries within this area can be utilized to facilitate the defence, both of Canada and the United States, from external attack.

The documents which I now table contain the correspondence referred to in the statement I have just made, and they are submitted in both English and French.

Hon. R. B. HANSON (Leader of the Opposition): What the minister has told us, if I followed him aright, is that within recent years there has been a reinterpretation of the Rush-Bagot treaty, without going through any particular formality; but I do not understand that the principle of the treaty has been in any way waived. My recollection, without having looked up the matter for a long time, is that this was a treaty to which effect was given by the senate of the United States.

[Mr. Crerar.]

Mr. CRERAR: The documents speak for themselves. It is referred to as an agreement.

Mr. HANSON (York-Sunbury): It is referred to in both ways.

Mr. CRERAR: In any case I am not informed as to what has taken place down through the years. I presume my hon. friend the leader of the opposition has reference to this statement:

The governments of Canada and the United States have, in fact, from time to time by informal exchanges, mutually recognized certain variations from the technical scheme and definitions.

Mr. HANSON (York-Sunbury): That is, a reinterpretation.

Mr. CRERAR: I regret that I am not in a position to inform my hon. friend as to what they were, but doubtless that information can be made available. The documents tabled contain the exchange of notes in 1939 and 1940.

UNEMPLOYMENT INSURANCE

AMENDMENT OF ACT TO PROVIDE FOR COOPERATION AS TO MEDICAL CARE OR COMPENSATION

Hon. H. A. BRUCE (Parkdale) moved for leave to introduce Bill No. 21, to amend the Unemployment Insurance Act, 1940.

He said: Mr. Speaker, the purpose of this bill is to provide that the unemployment insurance commission created by the Unemployment Insurance Act, 1940, shall cooperate with other authorities in the dominion or provinces for the purpose of collecting information concerning any plan for providing medical care or compensation in cases of ill-health.

The provisions were found in the Unemployment and Social Insurance Act, chapter 38 of the statutes of 1935. This act, having been declared to be ultra vires by a majority of the supreme court, and subsequently by a judgment of the privy council delivered the 28th day of January, 1937, was repealed in 1940 by section 103 of chapter 44 of the statutes of that year, being the Unemployment Insurance Act, 1940.

The competency of parliament to legislate in regard to unemployment insurance now has been settled by the amendment to the British North America Act of 1940. It is highly desirable to reintroduce these health provisions into our dominion law.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

STORAGE OF WHEAT

Mr. JOHNSTON (Bow River):

1. How much did the government pay elevator companies for the storage of wheat during each of the last ten years?

2. How much did the government pay farmers for the storage of wheat during the same years?

3. Does the government pay storage to the elevator companies while the wheat is in transit to the terminal elevators?

4. If so, for how many days, and how much has been paid in this regard during the above period?

Mr. MacKINNON (Edmonton West):

1. The wheat board was established August 1, 1935, and there is no record, therefore, of any storage which was paid prior to that date.

The storage paid for each year ending July 31, since August 1, 1935, is as follows:

Period ended	Elevator companies	Government elevators	Combined
July 31, 1936	$ 3,540,601 26	$* 178,805 74	$ 3,719,407 00
July 31, 1937	98,187 23	* 4,958 61	103,145 84
July 31, 1939	6,483,136 40	327,408 19	6,810,544 59
July 31, 1940	11,441,911 41	740,669 35	12,182,580 76
December 31, 1940	6,946,846 41	502,341 42	7,449,187 83
	$28,510,682 71	$1,754,183 31	$30,264,866 02

*Estimated conservatively.

2. Farm storage paid or accrued to March 15, 1941—$1,141,693.97. No payments were made to farmers for the storage of wheat except during the present season.

3. Yes. When the board entered into an agreement with the elevator companies in 1935, payment of carrying charges continued until two days after unload. The "two days" was provided as being the time necessary to obtain the documents from the terminals at the head office of the companies, and for them to make delivery of the documents to the board.

The following year the companies asked for three days, on the basis that documents could not be made available in two days, and their request was granted.

Beginning with the 1939 crop, the board placed a time limit of thirteen days after date of bill of lading for which the storage would be paid. During that crop year and the present year, when lack of storage space became acute, the transit time of cars between country elevators and terminals has widened materially. Right at the present time there are cars loaded with wheat standing on practically every siding in the west, many of which will require at least a month to six weeks to reach terminal points. The "thirteen days" really represents ten days' storage with three days for delivery of documents, and is accepted in lieu of interest on delayed cars, except in extraordinary circumstances such as embargoes.

4. Crop year ended July 31, 1936—Storage paid until two days after unload.

Crop years ended July 31, 1937 and 1938—Storage paid until three days after unload.

Crop years ended July 31, 1939 and 1940—Storage paid until three days after unload, with maximum of thirteen days from date of bill of lading. The amount thus paid is not available.

*ARMY CANTEENS

Mr. SHAW:

1. What are the regulations governing the operation of army canteens?
2. Do men operating army canteens in Canadian military camps receive pay and allowances over and above regular army pay?
3. If so, what are the rates of pay or allowances for this work?
4. What operating costs, if any, are charged against the revenue derived from these canteens?
5. What are the regulations governing the distribution of profits accruing from the operation of army canteens?

Mr. RALSTON: My hon. friend is asking for the regulations governing the operation of army canteens. As my hon. friend will understand, these regulations are quite voluminous, and I wanted to tell him and the house that the matter of canteens, particularly the central fund and also the disposition of moneys accruing from canteen operations other than those already covered by agreements with the auxiliary services, is now being examined into by a committee appointed by the government and consisting of the following members: Mr. J. M. Macdonnell, of Toronto, general manager of the National Trust Company; His Honour Leonce Plante, recorder of the city of Montreal, and Mr. Watson Sellar, auditor general of Canada. The powers and authority of that committee are set out in P.C. 7520, dated December 21, 1940, and in an amendment, P.C. 1087 of February 14, 1941. Copies of these orders will be laid on the table. There was another order in council, P.C. 224, of January 13, 1941, which substituted His Honour Leonce Plante, recorder of the city of Montreal, in the place and stead of Mr. Rodolphe Deserres, K.C., of the city of Montreal, who had been appointed by the order in council to which I have already referred; that is, P.C. 7520 of December 21, 1940.

I shall have to ask that this question be made an order for return if my hon. friend wishes the regulations with which that committee is now dealing, but it occurred to me that possibly he would prefer to wait until the report of the committee is received. The hon. gentleman also asks some further questions, the answer to which I shall table to-morrow; that is, in regard to questions 2, 3, 4 and 5. Perhaps between now and to-morrow my hon. friend can consider whether or not he desires to drop question 1.

Mr. HOMUTH: Has the minister any idea whether that report may be received shortly?

Mr. RALSTON: The committee has been working since February, and I should not think it would be very long before the report is received. I shall make inquiries about that also.

Mr. SPEAKER: No. 1 answered; Nos. 2, 3, 4 and 5 stand.

MAGDALEN ISLANDS FISHERMEN

Mr. ROY:

1. Did the Department of Fisheries, during 1940, receive any reports from its officer in the Magdalen islands bearing on conditions in connection with the sale of fish, and the distress of the fishermen?
2. If so, what are the details of such reports?

Mr. MICHAUD:

1. Yes.
2. Contents of reports by employees of departments of government are privileged and cannot be disclosed.

MARKETING OF LOBSTERS—W. G. AKINS

Mr. BLACK (Cumberland):

1. Has Mr. W. G. Akins been employed by the Department of Fisheries in connection with the advertising and marketing of fish or lobsters? If so, what was his previous experience?
2. What is his profession or business and is he connected with an advertising agency?
3. Did he or any advertising agent or agency enter into contracts or perform services in the marketing of lobsters in the years 1939 or 1940? If so, state, (a) the salary paid to each person or agency; (b) the expenses paid to each; (c) the commissions paid to each; (d) the total cost of the advertising campaign; (e) the total cost of the lobster marketing undertaking; (f) the number of cases marketed, the average price and total price received?

Mr. MICHAUD:

1. (a) Mr. W. G. Akins volunteered his gratuitous services to help market canned lobster purchased by the lobster controller, and such services were accepted.

(b) Several years experience in commercial advertising and market promotion.

2. Mr. W. G. Akins is an advertising agency executive.

3. Mr. W. G. Akins acted without salary as assistant to the lobster controller for the marketing of canned lobster in the fiscal year 1940-41.

(a) Nil.

(b) To Mr. W. G. Akins $1,463.63 for expenses only in connection with marketing of canned lobster.

(c) Nil.

(d) To January 31—$44,294.30.

(e) To January 31—$12,756.46.

(f) To January 31—4,410⅝ cases, $18.38—$81,079.20.

Note.—Figures subject to correction as value unsold goods are estimated and will vary on account sales tax, discounts and freight.

INCOME TAX—CORPORATIONS

Mr. PERLEY:

1. How many corporations filed income tax returns for their latest business year, of which the national revenue department has record?

2. How many of these corporations are shown by their returns to be inactive?

3. How many of these corporations have made a return showing no taxable income?

4. How many of these corporations have made a return showing a taxable income?

5. How many of the corporations showing a taxable income are more than six months in arrears in payment of their taxes?

Mr. GIBSON:

1. 31,748. 1939 taxation year as at 31st January, 1941.

2. Inactive corporations are not called upon to file returns of income.

3. 18,179.

4. 13,569.

5. The tax is a liability of any company immediately after the close of the fiscal period. It may be paid any time within four months therefrom without interest; the balance thereafter (if any) may be paid by instalments with interest at 5 per cent over the next four months. Thereafter, the rate of interest is 8 per cent.

The daily variable number more than six months in arrears is not known.

PUBLIC SERVICE—EMPLOYMENT OF PERSONS NOT DOMICILED IN CANADA

Mr. BLACKMORE:

1. How many persons has the dominion government employed since the outbreak of war who were not domiciled in the Dominion of Canada at least six months before September 1, 1939?

2. What is the position of each?

3. What special qualification in each case justified his employment in preference to a Canadian?

4. What income is given each, whether as salary, living allowance, expenses or other form of payment?

5. What are the names of all persons on the government payroll who receive in excess of $6,500 per annum?

6. What is the amount each receives, the duties he performs, the qualifications he possesses and the length of service he has rendered?

Mr. CASGRAIN: Mr. Speaker, a reply to this question would require a tremendous amount of work. It refers not only to civil servants, but also to others in the government service, and to persons in companies under the control of the government. I believe, too, that it refers to persons who might be taken on temporarily, to serve only for a short time, and then to be released. Would the hon. member give some further explanation as to what he desires before we attempt to answer the question? Meantime I would ask that it stand.

Question stands.

FOREIGN EXCHANGE CONTROL—IMPORTS OF MOTOR VEHICLES

Mr. CASSELMAN:

1. Has any change been made since the passing of the War Exchange Conservation Act in the conditions under which motor vehicles may be imported into Canada?

2. If so, what is the nature of such change and for what purpose was it made?

3. Has any ruling been made limiting an American motor vehicle manufacturer who might desire to establish a factory in Canada to a specified quota?

4. If so, how was that quota determined?

5. What was the purpose of such ruling?

Mr. ILSLEY:

1. Yes.

2. Instead of refusal of all permits, permits are now granted for imports for three months based on a quota of 20 per cent of average imports for the comparable three monthly periods of the years 1938-1940.

3. In addition to such limitations as may be imposed from time to time by the controllers of steel and machine tools, the motor vehicle controller, on the instructions of the government, has refused any new manufacturer the right to produce or assemble in

Canada more cars than can be imported under the import quota. Firms not producing cars in Canada prior to December 2, 1940 will not be permitted to produce more cars than they could obtain under import quota.

4. This quota was made equal to the import quota the manufacturer would have received had the factory not been established in Canada.

5. The prohibition of imports, in addition to imposing hardships, probably greater on the whole in the automobile business than in other businesses affected by the War Exchange Conservation Act, has also had the effect of leading some companies to consider setting up manufacturing facilities in Canada under conditions which cannot permit of economical production and at a time when machine tools and skilled labour are extremely scarce and required for war work.

When control of the entire industry was decided upon, the government took the view that the most effective plan was to allow the importation under permit of a very limited number of passenger automobiles as a part of a general plan of control. The plan will result not only in conserving machine tools and skilled labour for war work but also will save more foreign exchange than would have been possible, had new factories for the purpose of assembling cars in Canada with a low Canadian content been allowed to be established.

WAR EXPENDITURE, 1914-18

Mr. RAYMOND:

How much did Canada expend for war purposes from, (a) August 1, 1914, to March 31, 1915; (b) for each successive fiscal year thereafter to the end of the war?

Mr. ILSLEY:

War and Demobilization Expenditure

Fiscal Year ended March 31	
1915	$ 60,750,476.01
1916	166,197,755.47
1917	306,488,814.63
1918	343,836,801.98
1919	446,519,439.48

QUESTIONS PASSED AS ORDERS FOR RETURNS

WAR-TIME RESTRICTIONS ON SALE OF LIQUOR

Mr. AYLESWORTH:

How many requests in the form of resolutions and/or petitions from public bodies or others advocating war-time restrictions on the sale of liquor have been received by the government, or any member thereof, since July 24, 1940?

[Mr. Ilsley.]

ILLEGAL STILLS IN MANITOBA

Mr. COLDWELL:

1. How many cases have been prosecuted in the province of Manitoba for operation or possession of illegal stills in the last three years?
2. Who were the prosecuting attorneys in each case?
3. How many offered to plead guilty?
4. In how many cases did the accused plead guilty?
5. How many pleaded not guilty?
6. What fees were paid in connection with each case?
7. Has Mr. S. Hart Green, K.C., of Winnipeg, Manitoba, been the only counsel engaged in the prosecution of such cases since April 1, 1940? If not, what other counsel were engaged?
8. In how many cases since April 1, 1940, has the plea of guilty been made by the accused and accepted by the court?
9. What sums were paid to Mr. S. Hart Green, K.C., for legal services for the three years prior to April 1, 1940?
10. What sums have been paid to Mr. S. Hart Green, K.C., since April 1, 1940?

FOUNDATION COMPANY, LIMITED

Mr. LACOMBE:

1. Who are the directors of Foundation Company, Limited, and has this company secured a contract for the manufacture of munitions at St. Paul l'Ermite, Quebec?
2. Who are the directors of Canadian Car Munitions, Limited, and is this company executing part of a contract awarded to Foundation Company, Limited?
3. Upon what dates and in what year were the abovenamed companies incorporated?
4. Who are the presidents and managers of these companies?

FEDERAL LOANS TO PROVINCES

Mr. McGREGOR:

1. What loans have been made by the dominion government to the provinces which are now outstanding?
2. What is the amount of each such loan?
3. What is the date upon which each such loan was made?
4. What is the maturity date of each such loan?
5. What was the purpose for which each such loan was made?

FOREIGN EXCHANGE CONTROL—AMENDMENTS TO ACT

Mr. CASSELMAN:

1. Have any amendments, alterations or changes been made by order in council or otherwise to part 1, schedule 1, of the War Exchange Conservation Act, 1940?
2. If so, what is the nature of each such amendment, alteration or change?
3. What was the purpose of each such amendment, alteration or change?

WOOD ISLAND, P.E.I.-CARIBOU, N.S., FERRY SERVICE

Mr. BLACK (Cumberland):

1. What have been the expenditures and estimates for acquisitions of lands for wharf, terminals, dredging, harbour approaches and the improvements at Wood island, Prince Edward Island for the projected ferry service, (a) to December 31, 1940; (b) to complete the project; (c) total cost completed; (d) annual maintenance costs?

2. What have been the expenditures and estimates for acquisitions of lands for wharf, terminals, dredging, harbour approaches and the improvements at Caribou, Pictou county, Nova Scotia, for projected ferry service, (a) to December 31, 1941; (b) to complete the project; (c) total cost completed; (d) annual maintenance costs?

3. What have been the total expenditures (a) for purchase, (b) rental, (c) subsidies, for boats to operate the projected ferry service, stating to whom such payments are made?

4. What ferry service is proposed for 1941, stating, (a) name of boats, size, draft, carrying capacity of automobiles, trucks and freight tonnage; (b) the schedule for daily trips, including Sundays, and rates or fees for passengers, automobiles, trucks and freight; (c) the owner and operator of the boats; (d) the annual subsidy and other costs, also period contract to run?

ROYAL CANADIAN AIR FORCE—OFFICERS

Mr. HAZEN:

1. (a) How many officers, non-flying, special reserve, under 33 years of age, hold commissions in the directorate of personnel R.C.A.F.; (b) of this number, how many hold the rank of flight lieutenant or higher rank, acting or temporary?

2. (a) How many officers, non-flying, special reserve, holding commissions in the directorate of personnel R.C.A.F., have had active service in a theatre of war with the R.F.C., R.N.A.S., or R.A.F.; (b) how many of these officers have the rank of flight lieutenant or higher rank, acting or temporary?

3. (a) How many officers, non-flying, special reserve, of 33 years and over, hold commissions in the directorate of personnel in the R.C.A.F. who have had no service in an active theatre of war; (b) how many of these officers hold the rank of flight lieutenant or higher rank, acting or temporary?

4. (a) How many officers, non-flying, special reserve, from N.P.A.M. units hold commissions in the directorate of personnel R.C.A.F., with the rank of flight lieutenant; (b) of these, how many have served in an active theatre of war from 1914 to 1918; (c) how many have served in Canada or England only; (d) how many had no service in the war of 1914-1918?

5. How many recruiting officers are there in the R.C.A.F.; (a) with previous service in the R.A.F. in a theatre of war; (b) with previous service in the R.A.F., in England or in Canada; (c) with previous service in the army or navy in any theatre of war; (d) with previous service in the army or navy, but not in a theatre of war; (e) without previous service in the army, navy, or air force?

6. (a) How many commissioned officers of recruiting centres are there; (b) what is the rank, acting or temporary, of each recruiting officer as at March 15, 1941; (c) what is the record of service of the commanding officer of each recruiting centre?

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

Hon. T. A. CRERAR (for the Prime Minister) moved:

That when this house adjourns on Wednesday the 9th of April next, it stand adjourned until Monday the 28th of April, 1941.

Motion agreed to.

LOANS TO PROVINCES

BRITISH COLUMBIA—QUESTION OF REDUCTION OR REPAYMENT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): May I ask the Minister of Finance, in view of what I read in the newspapers over the week-end, if any further telegrams, letters, memoranda or other documents have been exchanged between the Prime Minister or the Minister of Finance himself and the premier or the minister of finance of British Columbia since March 17, with reference to a request that the province of British Columbia take steps to pay off or to reduce outstanding loans of that province. If so, will they be tabled?

Hon. J. L. ILSLEY (Minister of Finance): I do not know that they should be tabled. As we go along from day to day some correspondence is exchanged between Mr. Hart and myself with regard to this matter.

Mr. HANSON (York-Sunbury): What is the nature of it? Surely the country is entitled to know. They owe us a lot of money, and there was at least a suggestion by the premier of British Columbia of repudiation. I suggest we ought to know what is going on.

Mr. ILSLEY: I have no desire to keep anything from the house; but it is very difficult to summarize each stage when letters are exchanged between the governments of the dominion and the province. As soon as any agreement is arrived at, or as soon as it is apparent that no agreement can be arrived at, I shall report the matter to the house.

Mr. HANSON (York-Sunbury): Bring them down once a week.

SIR FREDERICK BANTING

REPORTS AS TO CAUSE OF FATAL AEROPLANE ACCIDENT—NEWFOUNDLAND INQUIRY

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, in view of the wide publicity over our own radio broadcasting system and in the newspapers, and the disquieting stories regarding the accident in which Sir Frederick Banting lost his life, would the Minister of National Defence for Air be prepared to make any statement to-day, or at some later time?

Hon. C. G. POWER (Minister of National Defence for Air): All I can say to the house is that that flight was not under the control of the Royal Canadian Air Force. When the British government requested the Newfoundland government to make an inquiry into all the circumstances surrounding the unfortunate

occurrence, the Newfoundland government requested the Royal Canadian Air Force to lend them two of its officers to be members of the board of inquiry, and they also requested that the Department of Transport should lend one of its officers. The report will be made to the Newfoundland government and not to the government of Canada. The only connection our department had with it was the loan of personnel to act on the board of inquiry.

WAR SAVINGS CERTIFICATES

REPRESENTATIONS AS TO METHOD OF DISTRIBUTION BY MAIL

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, I should like to draw the attention of the Minister of Finance to a question connected with the sale of war savings certificates. I believe I might best put my question by reading from a letter appearing in the Toronto *Globe and Mail* of March 24. It says:

> On March 17 we received by post from Ottawa five letters, each containing a war savings certificate fully registered in our name, on which, of course, no postage was required. We believe your attention has been previously drawn to the lack of thrift in the wastage of time, clerical labour, paper, etc., in sending to purchasers enclosures under five covers where one would suffice.

Would the minister give an explanation?

Hon. J. L. ILSLEY (Minister of Finance): I have received many letters making representations similar to those made by the hon. member. In answering them I have explained that these war savings certificates are put in envelopes by machinery and that it is much more economical to put one, and one only, in an envelope, than it is to put several in an envelope, even though they may all be going to the same person. The matter was fully and carefully considered, and it was decided that this was the most economic method of proceeding. The condition arises as a result of the use of machinery in placing them in the envelopes rather than doing it by hand.

WAR APPROPRIATION BILL

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

The house resumed from Friday, March 21, consideration in committee of Bill No. 19, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Fournier (Hull) in the chair.

On section 2—Appropriation.

Mr. McLARTY: I regret very much that I was not in the chamber on Friday afternoon when the hon. member for Waterloo South (Mr. Homuth) asked for an explanation of certain orders in council which had been passed by the government on the recommendation of the Minister of Labour. My absence was unavoidable because I had made an appointment to attend a meeting in Montreal in connection with some important labour problems.

I realize that the orders in council to which the hon. member referred are of extreme importance and I have been advised by quite a number of the hon. members of this committee that they are desirous of discussing them. When I arrived in Ottawa to-day I received my first intimation that matters which had to do exclusively with labour would be debated in this committee. I am not suggesting that there is anything improper about that, but these matters are so important from the standpoint of labour that perhaps the purposes of the committee would be better served—I have no intention of delaying the discussion—if they were discussed either on the labour estimates or on the supplementary estimates.

To divert this discussion, in connection with which the service ministers are being held here, to purely labour matters would probably not be a kindness to the committee, and certainly would not be a kindness to them. I know that many hon. members of the committee wish to discuss these matters, and it is only natural that they should. One of the orders in council, P.C. 7440, is most important and far-reaching. If it meets with the approval of the committee I would undertake to deal with this matter on the earliest possible occasion rather than to inject it into the debate at this time. I understand that this procedure meets with the wishes of those who urged that this matter be taken up. I wanted to give this undertaking to the committee.

Mr. HOMUTH: In view of the minister's assurance that we shall have an opportunity of fully discussing these matters, I shall not delay the proceedings of the committee. However, I should like to remind the minister that there have been times when bills have been brought before the house at seven or eight minutes to eleven o'clock, which rather catches one off guard. If those who are interested could be given some intimation, perhaps the day before, as to when these matters are to be brought up for discussion, it would help greatly. Perhaps the minister can assure us that such notice will be given.

Mr. McLARTY: I have no hesitation in giving that assurance to the hon. member for Waterloo South. Personally I welcome discussion in this committee or in the house.

As the hon. member suggests, these orders in council are of a far-reaching nature, and the more thoroughly they are discussed and digested, the more helpful it will be, not only for this house but for the government itself. I shall endeavour to give my hon. friends plenty of notice and will not bring these matters into the house at eight minutes to eleven o'clock when many hon. members may not be present.

Mr. STIRLING: Does the minister propose to give to-day the statement to which he alluded the other day with regard to the details of the training scheme, and particularly with regard to what methods are being employed to bring trainees who have completed their training into contact with those who are ready to employ them?

Mr. McLARTY: We are endeavouring to see that the trainees receive employment at the earliest possible moment. Under the directorship of Mr. Thompson a committee has been set up which will keep in contact with the trainees as well as with prospective employers. I believe that everything possible is being done to see that trainees who have received their training shall be placed as soon as possible.

Mr. STIRLING: Is the official to whom the minister refers resident in Ottawa?

Mr. McLARTY: Yes, Mr. Chairman.

Mr. STIRLING: What machinery does he use to get in touch, say, with those who come out of the training classes in British Columbia?

Mr. McLARTY: This work is carried on in cooperation with the provincial governments. Mr. Thompson was director of youth training and is now director of war emergency training. There is a set-up in each province which, subject to the supervision of Mr. Thompson, looks after the placing of these trainees. The hon. member realizes that in some provinces war industries are not concentrated to the extent they are in others and it is necessary that there should be a certain exchange of trainees, the trainees being brought to the industries. This whole matter was discussed at a conference which was held last week and at which I believe all the provinces were represented. The whole plan was considered and I am told that the opinion was expressed that every possible step was being taken to see that trainees are brought into contact with industries that require them. In other words, it is a matter of dominion-provincial cooperation.

Mr. STIRLING: Is this committee a child of the provinces?

Mr. McLARTY: It is perhaps a child of the provinces and the dominion. The provinces appointed representatives to attend this conference. Along with Mr. Thompson and Mr. Crawford, the latter in charge of the plant training plan in Ottawa, it was decided to secure the most effective cooperation in placing trainees as well as in developing trainees.

Mr. STIRLING: What progress has been made in seeing that young men who have actually received this training get employment in the industries?

Mr. McLARTY: I shall have to supply my hon. friend with that information. I can give him the number being trained, if that would be of any assistance.

Mr. STIRLING: I think the minister referred to that the other day.

Mr. McLARTY: I have referred to that already. I would have to get the figures as to the actual number of trainees placed.

Mr. HANSON (York-Sunbury): Of course that is the test.

Mr. McLARTY: Quite. Generally speaking the placements have been most satisfactory. I shall place on *Hansard* the exact figures as to the number of placements. Sometimes it is a little difficult to get the proper records. For instance, a trainee may move from one point to another and neglect to advise us that he has been placed. We can give some figures, but we cannot undertake that they will be complete.

Mr. STIRLING: Before I left home at the beginning of February I attended the classes which were being held in my town and I was impressed with what I saw. These young men had acquired a considerable handiness and knowledge in a comparatively short time. But the principal and the instructors were worried over the next step, over how these lads in southern British Columbia were going to bring themselves into contact with industries which could use their services. I want to impress that fact upon the minister.

Mr. McLARTY: I appreciate that. I intended to give the hon. member for Yale some information in that regard. There were about fifty of these basic training schools to which he refers, and at that time definite plans were being made—I am speaking purely from memory—to place the trainees in an aircraft manufacturing plant in Vancouver. In other words, the plan is reasonably well coordinated. In one western city, for instance, we had 500 trainees. There was no employment for them there, and we had to move them, which we did, and I think every one of them has

been taken care of. With reference to the particular school to which my hon. friend refers, the plan is to find employment for these trainees in the aircraft manufacturing plant in Vancouver, with, I think, the Boeing company.

Mr. GREEN: What number of men who have been discharged from the forces and what number of middle-aged men have received or are receiving training at the present time under these training schemes?

Mr. McLARTY: I am afraid I cannot give definite figures to the hon. member. I try to keep as up to date as I can on the number of trainees, but to answer that question I would have to have one of the officials of the department here.

Mr. GREEN: Perhaps the minister could tell us what proportion of the trainees are young men, what proportion are men who have been discharged from the forces and what proportion are middle-aged.

Mr. McLARTY: I would say—and I must put this in most general terms—that the training in the vocational schools is of young men from eighteen to thirty. There is, it is true, training of older-aged groups, but I could not advise my hon. friend as to the exact number.

Mr. GREEN: Have active steps been taken to train these older men who could be fitted in perhaps much more easily than the younger men? Is that a factor at all?

Mr. McLARTY: Yes; it is a factor, but I would say that the great number of the trainees are between eighteen and thirty.

Mr. GREEN: What provision has been made for training ex-service men?

Mr. McLARTY: Under the war emergency training plan, preference is given to ex-service men who wish the training. It is definitely set forth in the war emergency training programme.

Mr. GREEN: Is any large number of them in training?

Mr. McLARTY: I do not think it is a very great number, but there are some. The definite arrangement was made that preference would be given to them in the war emergency training programme.

Mr. HANSON (York-Sunbury): This is an important matter, and it has been published in the press as one of the achievements of the Department of National War Services. I am not very familiar with the programme myself, but as we are endeavouring to pass this bill to-day—at least that is the hope I entertain—I would ask the minister, before the committee stage is passed, to give us definite information on this training plan. I have the idea that in the maritime provinces this training programme has not been effective at all, but I should not like to speak too strongly as to that. I know an attempt was made in my own city to find work for these unemployed but no jobs could be found for them because no war industries are established and no new plants are being built in the maritimes. These men are willing to go to central Canada to find employment if they have to, but they have not had the opportunity.

I do not want to delay the passage of this bill, but we ought to know a little more about this training programme. It has been advertised to the country as one of the things we are going to do, and the point raised by the hon. member for Vancouver South (Mr. Green) is of importance. We have already brought back a large number of men. I have had some of them on my doorstep who cannot find employment.

The minister has also been advised of the situation existing in the county of Northumberland, New Brunswick, where unemployment threatens to be very, very serious this year due on account of a falling off in normal activities in that part of the country. Many of these unemployed are young men, and we have to do something about them. They cannot be left there to starve. Relief is cut off by the government of New Brunswick, and the municipality itself is so far in debt that it cannot possibly sustain these four or five thousand men who are threatened with unemployment if not actually now out of employment. I had hoped that this training scheme would be of great material benefit, and certainly, if labour is scarce in some places, work should be found for those who are trained. We have undertaken to train these young men, and the application of the scheme should be national, embracing the whole country.

Mr. McLARTY: I know the situation in the county of Northumberland to which the hon. leader of the opposition refers. It is a matter about which he and I have conversed, but I doubt if the situation there is one that could properly come under the training plan. I think it would have to come under some such thing as he suggested, namely, the building of wooden ships or some definite activity of that kind.

With regard to New Brunswick generally, it is true that there are not as many receiving training in that province as there are in some other provinces. Perhaps I might give the figures for New Brunswick. The number in training on February 1 was 212; the number enrolled in February was 91. I agree that in

comparison with the total figures that is not a large number. The number who left during the month was thirty-seven. The number training at the end of February was 266.

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

Mr. McLARTY: There were twenty-four finished but not placed. That would mean that the number placed was forty-six. That is not a large number, I must admit, as compared with other provinces. It might be fair to the committee for me to put on *Hansard* a general statement as to the training plan as the leader of the opposition has suggested, and with the permission of the committee I shall follow my notes pretty closely.

The emergency war training programme has its legal basis in the Youth Training Act. This act, passed in 1939, provided grants to the provinces to meet 50 per cent of the cost of training and rehabilitating unemployed youth. With the outbreak of war, emphasis in training necessarily shifted from rehabilitation to the fitting of young persons to meet the demand for semi-skilled and skilled labour in war production. Although the programme was changed in this way it has continued to operate under the youth training legislation. The youth training work proper has rapidly declined, while the special training for war occupations has been so expanded that additional war appropriations have been secured to finance the expansion of the work. The provinces have made their technical schools and equipment available to the dominion for the work of the programme, while about 85 per cent of the additional expense involved is being met by the dominion government.

The war emergency training has two phases:

(1) Training in vocational schools.

(2) Training in industry.

The former is in charge of Mr. R. F. Thompson, dominion director of youth training; the latter phase has been assigned to Mr. A. W. Crawford, former dominion director of technical education, who has been loaned to the dominion government by the Ontario department of labour.

With regard to the vocational schools, we were fortunate in having laid a foundation for further expansion in the experience already had in youth training. New curricula for war production occupations were drawn up, suitable instructors were secured, and many of the schools were placed on a two-shift and even on a three-shift basis. To date the supply of applicants for training has been adequate and the programme has proceeded according to schedule. It is proposed to train 50,000 persons for industry and the armed forces in the 75 vocational schools in the present calendar year—14,000 for the army, 6,000 for the air force and 30,000 for industry—and I am glad to report that in the first two months of the year this schedule is being met.

The numbers in training were:

At the first of January, 6,585.

At the first of February, 10,381.

At the first of March, 11,422.

Since the average duration of the courses is about three months, this means that an average of about 4,000 persons can be graduated monthly. Moreover, the output of trainees can be expanded as the need arises. In the summer vacation months, when the ordinary day pupils of the schools are on vacation, another shift of war production trainees can be introduced. We are also informed by the provincial authorities that, on short notice, the facilities will permit the training of perhaps 25 per cent more persons. Moreover, new centres may be added if required. I am confident that our objective of 50,000 vocational school graduates for service in war production will be attained.

That figure was arrived at, as probably some members of this committee know, as a result of the investigation of the interdepartmental committee on labour supply, comprising various departments of the government interested in it.

With respect to the plant training phase of the programme it is difficult to speak in the same precise terms. No governmental assistance is being given to employers to meet the cost of training new workers. Up to the moment we have adopted the position that the cost of training in industry should be borne by industry itself. This being so, we have no control of the activities in this direction and are unable to insist upon detailed statistical reports covering the extent and nature of their training plans.

While available figures indicate that the estimate of 50,000 trainees in industrial plants will be exceeded, it should be borne in mind that the constantly changing situation in each industrial establishment makes it impossible to predict the future with any great degree of certainty.

There is some difficulty in getting the figures from the industrial plants. For instance, in the case of one large firm where, I know, they are training about 500 men, they say, "We are not training them, because they are not in a plant school; they are being trained in the plant itself." In the case of other industries, every man they take on will be in training under direction, no matter how short the training that is given. The result is that it is a little difficult to get figures for the industrial plant schools.

The point is this, however. I feel that the programme is doing well. The reports I obtain on it are that we shall have no difficulty and will train in the vocational schools over 50,000 during the calendar year and will train in the plant schools also 50,000 during the calendar year.

Mr. HANSON (York-Sunbury): That is a very substantial programme, and I wish it every success. What, in the opinion of the officials of the minister's department, is the proper course to pursue; is it better to have these trainees trained in the technical schools, or in the plant schools, or in the industry itself? The good old-fashioned system of apprenticeship obtained in this country for many years and I always regretted that it went on to the scrap hill. I would assume that all three methods might properly be utilized and that the training in technical schools is, possibly, the least conducive to immediate employment. That is just a hazard, a guess. The objective, of course, is to put these men to work in the appropriate place, so that they may become self-sustaining and preserve their self-respect and become good citizens. The crux or true test of any of these schemes is the success which has been achieved in finding employment, and the minister cannot give us very much information on that at the moment. I should like to know what the results are.

Mr. McLARTY: Of course all three plans which the leader of the opposition suggests, namely the technical school, the plant school, and the apprenticeship system, have been worked. The difficulty with apprenticeship is the time it takes, a matter of four or five years; and necessarily the number of apprentices is limited. The vocational schools are giving training in respect of branches of industry in which it appears that there will be the first shortage of labour; in the matter of welding of various kinds we are dealing with those in an endeavour to avoid a shortage. In the plant schools—and perhaps it is a misnomer to call them "schools"—or in the plants, the training they are giving is directly related to the work which they are going to do.

Mr. HANSON (York-Sunbury): The particular industry.

Mr. McLARTY: Quite true, the particular industry. We are trying through the vocational schools to anticipate the demand which there will be for the scarcer varieties of labour. For instance, we are turning out a great number of aircraft mechanics for the air force and a great number for the aircraft manufacturing companies. We are endeavouring to fill the gap which is caused by the lack of certain forms of skilled labour, such as welders, not related to one particular industry but to a number of industries.

Mr. GILLIS: Would the minister give the figures for Nova Scotia? My experience with the training plan in that province is that it is as hard to get into those schools as it is to get into the university.

Mr. HANSON (York-Sunbury): Well, that ought not to be.

Mr. GILLIS: For instance, over the week-end I had personal letters from 115 boys in one ward in the town of Glace Bay. They were advised to write the government, and they wrote me. Their ages range from nineteen to thirty years. They have never had a job, and they are endeavouring to get some information as to how they can take advantage of these schools, or whether there is the possibility of employing them somewhere. From another ward in the same town there were forty-seven individual letters registering complaints. Under whose supervision in Nova Scotia, is the work being carried on, and what are the figures relating to trainees?

Mr. McLARTY: I shall be glad to give the hon. member the figures for Nova Scotia. I cannot recall offhand the name of the particular individual in that province who is in charge. The number in training at the first of the month was 158; the number enrolled during the month is 97; the number in training at the end of the month is 253. The industrial schools in Nova Scotia are, the Halifax, N.S., technical college, and the New Glasgow training centre, trainees' training centre; and for the army, the Halifax, N.S., technical college, and, at New Glasgow, the training centre.

Mr. MacNICOL: If a young man wants to get into the big central school in Toronto, by what procedure does he obtain that privilege?

Mr. McLARTY: I would say, Mr. Chairman, that the procedure would be to apply to the school; and if there should be any difficulty in getting in, he would be at perfect liberty to take it up with the Ontario authorities.

Mr. MacNICOL: My information is that there is great difficulty in getting into these schools, that young men who apply are told that they might get in six months hence or nine months hence, but that at present the classes are filled up. By what method are selections made of those who enrol?

I have had a great deal of experience with such work as is taught in the technical school, particularly that relating to iron and steel,

and I do not know just how much a young man could learn in the length of time which a course in that particular work, according to what I read in the papers, is supposed to cover. After all, it takes time to train expert machinists, tool makers, die makers, and the like. In my day a man had to work two or three years, or longer, before he learned enough to be really worth much. Are we going to get out of this technical training scheme everything we should get out of it so far as the prosecution of the war is concerned? —for that is the real purpose of it. A young man who gets a smattering in two or three months in a technical school might be helpful if he went to work in a plant. I have no doubt the teachers in those schools are doing everything they can, working early and late and on Saturdays to try to fill the gap. I remember a few years ago telling the then minister of labour that it was high time some effort was made to retain in this country expert mechanics who at that time were going to England to work in munitions plants—as tool and die makers, experts of particularly high type—but nothing was done. I feel that what the minister is trying to do should be appreciated, and I hope something is coming out of it.

Mr. McLARTY: The particular school to which my hon. friend refers—

Mr. MacNICOL: The Central Technical School.

Mr. McLARTY: I would not be surprised if difficulty were being experienced in getting in there; it is pretty well filled up. For instance, there were 391 trainees at the first of the month, and 272 joined during the month. It is one of the major schools. They probably have a waiting list.

Mr. MacNICOL: Yes, I tried to get one in myself.

Mr. McLARTY: In regard to the training, we are giving three months' training on an average. As the hon. member says, you could not turn out a highly skilled tool and die maker in that time, such as you used to get under the apprenticeship system. What we are trying to do is to give the fundamental knowledge, to try to grade up, so to speak, and at least teach them the fundamentals to make them useful in the plant. As to how useful they are, the only information I have comes from those into whose employ they go, and I would say that employers have been uniformly favourable in their comments on the helpfulness of the training and the advantages to industry which are flowing from this work.

Mr. LOCKHART: Is there any shortage of instructors?

Mr. McLARTY: We could perhaps train more men if we had more instructors and more equipment. If there are any shortages it is in instructors and equipment.

Mr. GILLIS: The minister's answer to my question would indicate that in Nova Scotia the whole scheme is concentrated in one end of the province. The figures are very low. So far as the training of industrial workers is concerned or of boys who are to take part in future industry he might well move that Halifax school down to the other end of the country where there is the greatest concentration of industry as well as the greatest number of unemployed boys. It would save money for the government, transporting men from one end of the province to the other. In addition you have the big steel plant down there, and if the minister is receiving the cooperation from industry that he should be receiving that is the proper place to train the trainees.

Mr. POTTIER: What would happen in the other end of the province?

Mr. GILLIS: You have practically everything there now; that is the trouble. The last time I was home I met hundreds of these boys in our end of the country who had absolutely no knowledge of the scheme or who was handling it or whom to get in touch with to inquire about it. There is very little advertising in Nova Scotia with respect to it. I suggest that an examination of that question in Nova Scotia is necessary. As I see it, the training of industrial workers is being done at the wrong end of the country. The whole thing is concentrated in Halifax. The few times I have been in Halifax since the outbreak of the war I found everything so congested that one did not know what he was doing or where he was going.

Mr. McLARTY: I have had the opportunity of visiting the Halifax technical school on at least two occasions. I have been immensely impressed with the training they are giving and the work they are doing.

Mr. HANSON (York-Sunbury): It is a good school, but in the wrong place.

Mr. GILLIS: I am not objecting to that.

Mr. McLARTY: I should be glad to give consideration to the representation of the hon. member, but I would not want to move the Halifax school, which is doing extremely efficient work.

Mr. GILLIS:: I know the Halifax technical school is capable of doing a very good job for a limited number of trainees, but to

handle the situation the government is faced with at the present time an addition to that school is necessary. They are not equipped to handle the programme you are embarking on.

Mr. McLARTY: I shall be glad to consider that.

Mr. BLACK (Cumberland): I want to commend the minister, but I am in agreement with the hon. member for Cape Breton South, except that I do not think the technical school should be moved from Halifax. There is no sound excuse for not having a school of large capacity in Cape Breton to give mechanical training to the young men there, because that is the industrial centre of the province. The minister's department and the government of Nova Scotia have not done all they might have done in setting up school in Nova Scotia. Schools of this kind should be established in other industrial centres in the province At New Glasgow a plant school has been organized in recent months, but there is not a training school in the town of Amherst, which has been a prosperous industrial centre but has suffered in recent years. I asked that there be a school set up to train workmen for the aeroplane plant there, which I hope will soon be in full production There are hundreds who have been expecting to be given employment in that aeroplane plant. A munitions shop is also being set up and should soon be under way, but no training of this kind is available except the limited mechanical training that the public school has been able to give.

The department has sent a limited number to Halifax, at great expense to the federal and provincial governments and at great inconvenience to the students from Cumberland, but the school at Halifax has been congested and cannot do the best work.

The figures the minister has given of the number of young men in training in Nova Scotia do not reflect great credit on the department or on the government of Nova Scotia. A special effort should be made to establish these schools in centres which are industrial, such as Cape Breton, Pictou and Cumberland counties. Nova Scotia is the most industrial province in eastern Canada, and young men and boys in that province have not had the opportunity to get the training that they have sought by the thousands.

Mr. ROSS (St. Paul's): In the *Globe and Mail*, under the caption "Plane Output Hits Forty a Week says Director"—this relates, I believe, to the tour of inspection by members of the parliamentary press gallery—I was very much interested to read this paragraph, in which one of the writers gives, in part, his impressions of the tour:

> 3. The need of recognition that young men of twenty-one are veteran craftsmen in the airplane industry and that conscription of these workers for four months' military training is a threat to essential expansion of production. Each one of the plants visited has lost trained men and some of them key men to military service in the last week.
>
> 4. The threat to airplane production that the rapidly rising repair problem presents. Already overhaul jobs have flooded the repair sections of the plants and by midsummer, officials admit, this problem will assume critical proportions.

We in this house have been talking about the four months training plan and the need for some differentiation in the selection of the trainees. The views we have been expressing are borne out by these members of the press gallery who have been through these plants. In my opinion, at a time like this when aeroplanes are needed so badly we should do nothing to disturb the work going on in these plants. I have been through some of them myself, and I know the opinions that are held in them. I would say, though, that as time goes on these men might be taken into the air force, when new men come along who are capable of doing their work, but I do not think it is right at all that they should be taken from their work now when we are trying so hard to expand our production.

While I am on that point I should like to say a word with respect to the schools in Toronto training older men. I have seen some returned men and others who have been out of jobs for some time and who need a little brushing up, but who have found it impossible to get into the technical schools at the present time—that is, the schools training men of forty and over.

Mr. McLARTY: Perhaps what the hon. member has in mind are the schools for men from eighteen to thirty. In the general war emergency training programme enlisted men and returned men are definitely supposed to receive preference, and my understanding is that they do receive it. Certainly that was definitely laid down in the programme.

Mr. ROSS (St. Paul's): There is no doubt that you cannot produce a skilled mechanic in the length of time these men are given instruction in the training schools, but you can give a man the fundamentals. What I am trying to get at is that some of these men, who have the fundamentals, should be given the opportunity to brush up. We have great need for shipbuilders, for instance, and it seems to me we should have some place to send men who have had a certain minimum amount of experience, where they may get

further experience in order that they may not be a burden when they go into the shops. Something further should be done to provide training for men of thirty years and older.

Mr. RALSTON: Perhaps I might say just one word with reference to my hon. friend's remark that the four months training is interfering with industry. I do not know where the hon. gentleman obtained the information which my hon. friend quoted, but I want to repeat to this committee what I have said time and again, that so far as the army services are concerned—and I am sure this is also true of the navy and the air force—there is not the slightest disposition to take what we call key men from the aeroplane industry or any other industry which has to do with war production. And I want to say further that in my judgment there is ample provision in the regulations whereby these men may have their training postponed. If that is not done I think it must be because the manufacturer has not seen fit to make application. The provision is that training may be postponed—the provision does not mention any industry at all—when the employer presents a plan; and, as was stated by my colleague the Minister of National War Services the other day, the employer has a right to present a plan and any such postponement is not limited to twelve months. It seems to me it must be clear that there is no attempt or any likelihood of disturbing war industry; and that this must be a case where either the industry itself has not made application for postponement or where the man is not regarded as so essential that it is necessary to do so. If my hon. friend can bring to my attention one case in which a key man in industry—and I mean a real key man; I am not talking about a case where perhaps the same result could be obtained by a shift of employees—has been taken to a military camp and has not been granted a postponement, I should be glad to take it up immediately with my colleague the Minister of National War Services, and will see that he gets in touch with the chairman of the board.

Mr. DOUGLAS (Weyburn): Under the new regulations do the firms apply for postponement? Do not the men have to make personal, individual applications for it?

Mr. RALSTON: As I remember it, the employer submits a plan.

Mr. DOUGLAS (Weyburn): I am asking because I had some conversation with some of the newspaper men who made this trip, and their impression was that under the new regulations the men must make personal, individual application for postponement; and that they were being told, "Yes, your training will be postponed, but you will have to take it next June or next September," and they were saying that if they had to take it anyway they might as well take it now. The objection apparently came not so much from the men but rather from those in charge of aircraft production, who were saying that after some of these young mechanics had been trained for a year, and just about when they were becoming useful, they were being compelled to take their training, either now or when the next group was called up. The impression was that the men must make application for postponement individually and that an industry could not, as heretofore, submit a plan.

Mr. RALSTON: I have not the regulation before me, but I was told by the gentleman who was closer than anyone else to the making of these regulations that the regulations were the same with regard to the employer presenting a plan, subject to this, that the previous requirement that a man must take his training within twelve months had been eliminated, so that the postponement could continue in the case of such a man.

Mr. ROSS (St. Paul's): There appears to be some misunderstanding which should be cleared up. As I stated, I was reading from an account which appeared in the *Globe and Mail,* and the matter should be straightened out in order that these people may know their exact position.

Mr. RALSTON: Does the hon. gentleman recall the names of the plants?

Mr. ROSS (St. Paul's): They went to several plants—Vickers, Fairchild and Noorduyn.

Mr. RALSTON: Does the report indicate which plant had suggested it was having this difficulty?

Mr. ROSS (St. Paul's): These were the impressions gained by the reporter on that tour. I should be very glad to let my hon. friend have the clipping.

Mr. RALSTON: I am satisfied that the impression is wrong and has resulted from the fact that the employer either did not know the regulation or did not consider the employee such a key man as to warrant an application being made.

Mr. ROSS (St. Paul's): That is the impression many of these men have given me.

Mr. RALSTON: We publish the regulations and do everything possible to let people know what they are. The national labour supply board, which is composed half of

representatives of employers and half of representatives of employees, has been over the important points in these regulations. That board knows what the regulations are, and surely it is not too much to ask that employers should find out what they are before making complaints.

Mr. POTTIER: I am afraid that if the minister follows the suggestions of the hon. members for Cape Breton South and Cumberland, we shall find training centres in Nova Scotia only at Halifax, Glasgow, Sydney and Cumberland. I gathered from the remarks of the minister that the suggestions of the two hon. members who have just spoken would be considered. May I assure him that in the western part of Nova Scotia we have young men who would like to take training. I believe we have as large a number there as will be found in other parts of the province. I would be opposed to the transfer of the training school from Halifax to Sydney, at the other end of the province. When the minister is considering the suggestions of the hon. members for Cumberland and Cape Breton South I would ask him also to consider the suggestion that western Nova Scotia be kept in mind in connection with the training scheme.

Mr. GILLIS: I was under the impression when I first spoke that there was an industrial training school at Halifax. The Minister of Labour has cleared up that point; I do not believe there is. But if the work is being carried on in the Nova Scotia technical college at Halifax, I should think there would be only sufficient equipment to care for their peacetime needs, and that they would be operating on the same basis as they have in years gone by. I believe practically nothing is being done in the province in connection with industrial training. At least that is my opinion; I cannot find out anything about it, although when I was home on the last occasion I tried to do so. In the part of the country from which I come there are hundreds of men between the ages of nineteen and thirty years who have never had work, and who are running around in circles. They were given some encouragement when the government advertised that a trainee's programme was to be put into operation. Hundreds of them came to me trying to find out something about it. I did not know who was in charge, but I did carry on some correspondence with the minister of education in the province, and made application for some of the boys. As to whether any results were obtained I do not know. Since that time I have not been in Nova Scotia and have not heard what progress has been made. I have, however, received 115 personal letters from one town, and 49 from another, in connection with the matter.

I had no intention of suggesting that the technical school which has been in Halifax for years should be moved. But if the government has any intention of carrying out the programme outlined by the Minister of Labour an effort must be made in Nova Scotia to develop industrial schools. If that is to come, then the proper place to do it is in the industrial centres.

Mr. McLARTY: There is one point which members of the committee may be overlooking to some extent. In the first place we are utilizing seventy-five vocational schools throughout Canada. In each case those schools are the property of the province—

Mr. HANSON (York-Sunbury): Or the school board.

Mr. McLARTY: Yes. There has to be a fairly complete equipment in order that those schools may be operated. In other words we cannot say, "Well, we will go to some place and open up a school." In some instances we are endeavouring to obtain the necessary equipment and put it into the schools, but in the majority of instances we have chosen schools most completely equipped. I believe hon. members will agree that that is the most reasonable course to pursue. In view of the terrific demands for equipment in Canada to-day it is not the easiest thing in the world to obtain additional equipment; consequently we have been taking those schools, the property either of the provinces or of the school boards, which are best equipped to carry out the training programme. I shall be very glad, however, to see that investigation is made by the director of training into the Nova Scotia situation. After all we are not anxious to prejudice one section of a province against another. If the equipment and trainees are there, we will try to bring them together.

Mr. ROSS (Souris): With reference to the young men called for thirty days' training in my district, may I point out that the registrar has insisted that the recruits make personal application for the postponement of training. The other day the Minister of National Defence put on *Hansard* a record of the number of trainees who were willing to volunteer for active service. Can he say how many of those trainees are actually in the active service army?

Mr. RALSTON: I have not that information here; I could not get it. In the committee stage some one was ingenious enough to suggest that I might take the number of those who went through the training

schools and the number of N.R.M.A. recruits found afterward, in the rolls of the reserve units, and that the difference would be those who had enlisted in the active service force.

Mr. HANSON (York-Sunbury): But that does not necessarily follow.

Mr. RALSTON: No, it does not. I have a memorandum before me dealing with that subject. The hon. member for Vancouver South asked me on an earlier occasion for the exact number who had gone through the training camps. I placed on *Hansard* a statement showing that the total number was 81,086. Then I stated on March 17 that under the National Resources Mobilization Act the number of recruits posted to reserve units was 76,128 on March 7, the difference being, 4,958. Some members of the committee said that this difference might perhaps be the number who had enlisted in the active service force. That, however, is only conjecture. The best I can say is this, that no figures were available to permit of any definite statement as to the actual number of men out of those 4,958 who have enlisted in the active service force. Nor is it possible to obtain this information. I can only make the general statement that the number 4,958 is explained by (*a*) enlistments into the active force; (*b*) recruits who have been absorbed from the supernumerary list into the authorized establishments of their respective reserve units, where those establishments were below strength, and (*c*) a comparatively small number of men who may have been discharged on account of their medical categories having been lowered. The result is that I cannot give the committee any definite information along the line it desires, namely as to the number of men from those camps who actually enlisted.

Mr. GREEN: Would it be accurate to deduce from these figures that not more than 4,958 have enlisted in the fighting forces?

Mr. HANSON (York-Sunbury): That would be misleading, too.

Mr. RALSTON: It is quite possible that some of them may have gone from reserve units to the active service force, after having been posted to the reserves. Yes, I think it might be correct to say that up to March 17 not more than 4,958 had enlisted. But I am going to put a caveat in on that, because I am not sure of it. It may be that some did go into the reserve units previously, and subsequently enlisted in the active service force.

Mr. HANSON (York-Sunbury): But there is no available data on it?

Mr. RALSTON: No.

Mr. HANSON (York-Sunbury): Before leaving the question of technical education, I should like to say something with regard to what was said by the hon. member for Cape Breton South (Mr. Gillis). I am very much disappointed at the number of men who have come out of the schools in the maritime provinces. In New Brunswick we have no technical college such as they have in Nova Scotia; but in Saint John we have a large vocational school, and there are some smaller schools, one of which is in Fredericton. The work undertaken in these institutions is exceedingly limited. At Fredericton I do not think the studies go beyond motor mechanics and subjects of that kind. Women attend these schools and learn to make hats and the like. But this is war business in which we are now interested. Could the minister tell us where the courses of instruction are given, and what those courses are?

Mr. McIVOR: I should like to say a word about the outstanding value of the vocational school at Fort William. They had the hearty cooperation of the school board and the teaching staff. Extra classes were opened up at 6.30 in the evening, using the same equipment and the same teachers. Boys and girls and young men and women were taken in. If a man was found to have had previous training as a mechanic he did not have to stay there very long. Courses were given in arithmetic, in filing, in the machine sewing of fabrics, in welding, and so on. There is no doubt about the outstanding value of that school. At one time there were about one hundred in the class and it has been kept going right along.

Mr. BLACK (Cumberland): Could the minister place on *Hansard* a statement showing by provinces the places in Canada where training of this kind is given, as well as the number of pupils receiving training? The minister gave some of this information at the last session, but it would be most helpful if we had it now.

Mr. McLARTY: I suppose the hon. member means a break-down as to provinces?

Mr. BLACK (Cumberland): Yes.

Mr. McLARTY: I would have to go over rather extensive figures to give it now, but I shall be glad to place it on *Hansard* at the first opportunity.

In answer to the leader of the opposition, I may say that the schools in New Brunswick are the Campbellton high school, the Fredericton high school, the Moncton high school and the Saint John vocational school. I can assure my hon. friend that we do not include in the list trainees who are learning to make hats. As a matter of fact the trainee must be

receiving training in some essential work connected with the war. For instance, we would not include the training of hard-rock miners in Nova Scotia. Would the hon. member like to have the number of pupils in each school?

Mr. HANSON (York-Sunbury): No.

Mr. McLARTY: The army schools are at Campbellton, Fredericton, Saint John and Woodstock.

Mr. HANSON (York-Sunbury): They are limited to motor mechanics?

Mr. McLARTY: Mechanics generally, and motor mechanics.

Mr. O'BRIEN: There is a good vocational school in Newcastle and another one in Chatham. The one in Newcastle is particularly active. In view of present conditions in Northumberland county and those which may have to be faced in the near future, may I ask whether more use could not be made of the school? Perhaps it could even be enlarged.

Mr. McLARTY: I shall be glad to give that consideration.

Mr. BLACK (Cumberland): Does the department contribute to the maintenance or the providing of equipment or the upkeep of the plant schools?

Mr. McLARTY: No.

Mr. BLACK (Cumberland): Is that done exclusively by the industry?

Mr. McLARTY: What we do is to try to keep in contact with them and develop the schools. We pay our administrative expenses, but we make no contribution to the industrial plants for the training which they do.

Mr. GREEN: There is a very serious feature about this whole situation which should be considered by the committee. Both the Department of Labour and the Department of National Defence are drawing from the same age groups. The Department of Labour take mostly young men for this industrial training scheme, while the Department of National Defence are calling men of twenty-one years of age for compulsory training. It is true the Minister of National Defence has said that the time of training may be postponed, but sooner or later these young men will have to go to the camps. Would it not be possible to train more older men for industry, the men who will not be called up for compulsory military training? I am afraid our troubles are only beginning. More and more men will be required for compulsory training, and as more and more men are needed for industrial training, there will be conflict. We will not have enough men for both schemes and there is bound to be a scramble sooner or later. It seems to me that a definite policy should be laid down under which the older men would be trained for industry leaving more of the younger available for the military training. I do not see how we can prevent a clash between the two departments.

Mr. McLARTY: I think that situation is being kept in mind by the interdepartmental committee. They made definite recommendations which I believe are being carried out, because the direction of this plan is under their control. They recommended that we should not try to train men who will be called out under the four months training plan, and that defence should endeavour not to call on the men we are training to join the four months training plan. Let me make this perfectly clear. According to the advice I have received there has not been any shortage in applicants for training. It might be that if this situation should develop we would have to have a more definite differentiation between industrial and military training, but I believe that the situation which has been worked out by the committee is a satisfactory one. So far as my information goes, it has not resulted in the slightest bit of conflict.

Mr. GREEN: As I understand it this committee has set up a priority list to govern the taking of men into industrial training?

Mr. McLARTY: Yes.

Mr. GREEN: The first group is made up of veterans of the great war and those who have been discharged from the armed forces during the present war. This afternoon the Minister of Labour led us to believe that comparatively few men in that category are being trained.

Mr. McLARTY: I did not intend to convey that impression; I said comparatively few when the total number was considered. We had 11,423 in training in February and the number of veterans of the last war and returned men of this war would be relatively small. I shall be glad to get the figure for the hon. member, but, for instance, it is not over ten per cent.

Mr. GREEN: There have been over 18,000 discharged during the present war.

Mr. McLARTY: I am simply stating that the relative number is not great. I do not wish to mislead the committee.

Mr. GREEN: Then the interdepartmental committee say it will be necessary to train in increasing numbers men over forty years of age. Apparently very few of these are being

trained now. Women make up the third group. All others are in the fourth group. It seems quite clear that the great bulk of the men being trained are young men, probably eighteen or nineteen years of age. Within a year or two these men may be required by the Department of National Defence, and then comes your trouble. Would that not be avoided by training more older men?

Mr. McLARTY: I think the best thing to do would be to have a break-down giving the ages of the trainees.

Mr. GREEN: I asked for that earlier in the afternoon.

Mr. McLARTY: It will take a little time to get it, because it would mean a thorough survey throughout the country. However, I shall endeavour to get it. I can assure the hon. member that we are endeavouring to live up to the priorities, but up to the present time there has been an abundance of applications for training. For that reason, I take it that it has been a matter of dealing with them in the order in which they come.

Mr. GREEN: Does the fact that you have a lot of applications provide a solution? Thousands of young men of eighteen or nineteen years may be offering themselves for training, but that does not get us over the difficulty.

Mr. McLARTY: The hon. member referred to the training of women. We have not yet come to the point where we must train that class of labour to any great extent.

Mr. GREEN: The trouble is that the Minister of Labour is drawing on the young men and the Minister of National Defence is drawing on the young men.

Mr. RALSTON: My hon. friend has said that two or three times and I really think he is making it hard for himself and for the committee. The situation is not quite as difficult as he thinks, although I realize that there are difficulties. Here is the difficulty my hon. friend puts up. He says that my colleague the Minister of Labour is training men eighteen years of age, and that some day the Department of National Defence will want them. It is true that three years from now, when they become twenty-one, the Department of National Defence may want them, but the Department of National Defence has indicated, at least by the present regulations, that if these men have become key men essential to war industry they will not take them. So there is no conflict there. I do not know what other conflict there is. My hon. friend reads the list of priorities to the committee. The army is not in conflict there in any way. The first to be trained are the veterans.

Mr. GREEN: But they are not being taken—that is the point.

Mr. RALSTON: My hon. friend means they are not going to be taken?

Mr. GREEN: I say they are not being taken. I did not say they are not going to be. Probably 20,000 men have been discharged already.

Mr. RALSTON: Does my hon. friend mean that they are not applying, or that they have been refused?

Mr. GREEN: I say that nobody is going after them very strongly.

Mr. RALSTON: The rule is that the veterans are given the preference in connection with training. Those over forty years of age and the women are next. There are three classes we do not ask for, and the fourth is the group from forty years down to eighteen. There is only one class in that group whom we are calling to take training and that is those twenty-one years of age, and of those the army says "We do not want and will agree to the postponement of those who are twenty-one years of age and who are engaged in key posts in essential war industry." My hon. friend I think is making it harder than it really is, because the army, as I have said time and again and now repeat, is not in competition with industry but in cooperation with it, and when we narrow our requirements for compulsory training down to the twenty-one year old class and say that of that class we will postpone calling, if necessary, those who are key men, and still leave all these other classes from eighteen to forty, I do not think my hon. friend has much ground for assuming that there is conflict.

Furthermore, this whole matter has been the subject of discussion by the labour coordination committee which is composed, not only of representatives of labour and representatives of the army, but of representatives of labour, representatives of the defence services, representatives of the national war services and representatives of the Department of Munitions and Supply. They all come together on that committee, and that committee is recommending this course. My hon. friend has a right to press as hard as he can to see that that is working, but on the principles which have been laid down he will find there is not very much competition between labour and the army training plan, and I want him to take what I say at one hundred per cent. We are endeavouring in

every way possible to promote the interest of the essential war industries in order that equipment may be produced; and the four months plan which I outlined some time ago had that idea very definitely in mind.

Mr. GREEN: The minister must remember that there are also the men who will be required for the active army—

Mr. RALSTON: I am remembering them.

Mr. GREEN: —and the men who will be required by national defence for air, and the men who will be required for the navy. There will be competition there, too, with the Department of Labour. Can the Minister of National Defence tell us how many men have been recruited for the active army this year? He announced in January that from 40,000 to 80,000 would be required. I asked him on Friday last how many have been recruited, but I notice that he did not answer. How many have been enlisted so far this year? I think he is going to wake up one day and find that it is hard to get recruits. We go on now as if there were plenty of recruits waiting to come in, but that may not always be the case. How many men have been recruited for the active army this year?

Mr. RALSTON: I am sorry I overlooked that my hon. friend had asked for that information. I gave him the quota which had been called. I think I can get this afternoon, before the committee stage is through, the other information he wants.

Let me also say to him in connection with the 40,000 to 80,000, that that requisition goes before the same board along with the requisition for industry, and the requisition for the potential requirements of the air force and navy. So that the problem is before them on the drawing board, as it were, and I assure my hon. friend that we will try to keep fully awake to it. I realize, as my hon. friend says, that there may come a shortage some day, but I assure him that it is not because of any short-sightedness that we have adopted the policy under which we are working. I will get my hon. friend the information he asked for regarding enlistments.

Mr. McLARTY: There was one remark made by the hon. member for Vancouver South (Mr. Green) to which I wish to refer. He said that we were not going out in this training programme to look for the returned men. He said that was true of both this war and the last. That is quite correct, but without qualification that remark would carry the inference that we were looking for other classes of trainees and neglecting the returned men. On the contrary, we have provided for preferential treatment for them when they apply, but, as I have tried to make clear to the committee, we have not had to go out and look for a single trainee at any point. We have had more trainees than our facilities would allow us to handle. I do not want the impression to go out to the country that we are looking for a particular class and not observing the preference to the returned men. If the applications have been coming in from the returned men, the priority, I assume, is being carried out. I just wanted to make it clear that it is not so that we are looking for a certain class and not looking for another class.

Mr. GREEN: Would the Minister of Labour give us the figures showing how many in each of these four classes are being trained or have been trained, and also the ages?

Mr. McLARTY: I shall have to get the ages. I could give the number of trainees in all the classes. Does my hon. friend want the number of those being trained in the war emergency training classes for the army and for the air force?

Mr. GREEN: I am not at the moment asking for information as to the air force or the army.

Mr. McLARTY: I will see what information I can get along that line.

Mr. GREEN: From the minister's figures I take it that two-fifths of these men who have been trained had actually been recruited for one or another of the forces, so that they are not for industry at all.

Mr. McLARTY: No.

Mr. GREEN: That is about the way it works out. And the others we are training for industry.

Mr. McLARTY: I shall endeavour to get the information during the dinner recess.

Mr. MacINNIS: I think this discussion has shown that there is need for much more training facilities than we have at the present time. I do not quite understand what my hon. friend for Vancouver South has in mind. Even if these young men who are being trained join the army later or are taken into the armed forces, I cannot see why we should refuse to give them training at this time if there is nothing else for them to do. I think it would be a tragedy not to give them the opportunity to fit themselves for some kind of work until the time comes when

they go into the armed forces, or are drafted into the armed forces, whichever may come first.

I do not think you can make a mechanic out of a man by giving him four or five or six weeks' or even six months' training at a training school. I am satisfied you cannot do that. But you can train a man to tend a machine, and that is what a great deal of our manufacturing work consists of in this age—machine-tending, doing some one particular job. A mechanic is an altogether different man. He is a man who knows how to do a thing from experience and the training of hand and eye. But a machine-tender just tends a machine, while the machine does the work. You can train young people to do that kind of work in a training school. But there are all over Canada, on our western farms and possibly on our eastern farms and in various other parts of the country, a great many people who at one time were skilled mechanics in some particular trade. There should be an opportunity, particularly in view of the cutting down of farm production in western Canada, for these men to be retrained in their old vocations so that they could be absorbed into industry.

That is one of the first things that should be done. The other day I read in a United States periodical statistics of age groups in the skilled trades, and it was interesting to note that more than half of the really skilled men in industry are over forty-five years of age.

There is another point to which I wish to refer. I do not know to what extent it is being looked after. When these men are trained are they compelled to register at the employment offices, and are employers compelled to seek their men at these offices? If this is not already being done, the minister might take it into consideration and advance this aspect of the work which is to be performed by the unemployment insurance commission. It need not wait until the whole system is set up; it is needed now in order to take care of the labour supply for war services. Every man should be required, as soon as his training is completed, to register at an employment office, specifying his skill and grading and so forth, and in much the same way the employer should be expected to send in his applications for men, giving the necessary particulars. I hope we shall not take the position that, because later on they are to be drafted into the army, men are not to be given the opportunity, while they are waiting, to fit themselves for something else.

Mr. McLARTY: I believe that the suggestion of the hon. member for Vancouver East is an excellent one. He will remember that when we were discussing the employment offices in connection with the Unemployment Insurance Act, it was suggested that they could perform an admirable service. We are now endeavouring to have them established at the earliest possible moment. I assure my hon. friend that I shall endeavour to have his suggestion with regard to the registration of trainees at the offices, and their employment through those offices, definitely adopted by the commission.

Mr. GRAYDON: Something was said this afternoon about applications for industrial training of men who have been discharged from the army during the present war. It was said that the schools are taking in only those who have applied. There is quite a difference, in the matter of applications, between men who have been discharged from the army, and those who come in through the ordinary school processes, because, as the minister well knows, in the high schools and collegiates the principals usually have a full knowledge of what is required of the young men who are expected to take training. I have no doubt that the active and energetic principal singles out a number of his pupils and suggests that, if they want to go into the training courses, they will receive every encouragement. That kind of invitation is not comparable to the facilities extended to men who are discharged from the army.

In a desire to offer some constructive suggestion in this respect, may I invite the Minister of Pensions and National Health or the Minister of Labour to consider whether it should not be the duty of one or the other department to draw to the attention of every man discharged from the army in this war, immediately upon his discharge, the facilities available for his training and for his rehabilitation in industry and in the ordinary life of the country. I am a little concerned as to whether there is a welfare service which will take him under its wing and show him just what is available. There is hardly a member of this committee who has not found from time to time that he did not know until some time afterwards what vacancies were open in certain lines. We have a definite responsibility and duty in this regard to the men discharged in this war. It is all very well to say that we will try to find them jobs. But the difficulty is that many of them are not trained for any particular employment. Perhaps before the war they were unemployed for a number of years, and their training had not been brought up to date, because the trained man of fifteen years ago in certain

lines may be almost an unskilled man in the present general industrial set-up. At the very least, every discharged man should be furnished with a list of the possible avenues of employment open to him, and should be encouraged to go into some training scheme, and it should be pointed out to him that he will have a preference in the matter of entry to the training schools. Already the number of discharged men is fairly considerable, I believe around 20,000, and a good deal of difficulty and much criticism of the government by the country generally will be avoided if we will tell these men, "We are going to give you the best we have in the way of training and do all we can to rehabilitate you in the industrial life of our land." By so doing we may hope to avoid some of the mistakes which have been made in the past.

Mr. MACKENZIE (Vancouver Centre): To a limited extent that is being done now, and it will be done to a complete extent as soon as the new welfare division of the Department of Pensions and National Health is organized. The civil service commission is now reviewing applications from all over Canada for the appointment of these officers, and there will be complete liaison and co-operation with the Department of Labour, and complete information given to the discharged men as to what amenities or facilities may be desirable.

Mr. GRAYDON: I understand that when the new welfare officers are appointed, these will be part of their duties?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GRAYDON: May I ask the minister a question which I intended to ask him a week ago, but because of the course taken by the debate I was unable to do so? Could the minister give even an estimate of the number of discharged veterans of the present war who are unemployed? There must be in the department some records of the number who are looking for work.

Mr. MACKENZIE (Vancouver Centre): I took notice of my hon. friend's question a week ago, and immediate steps were taken to ascertain what he has asked. The information is not yet available, but I hope to have it for the committee of the house which will deal in a week or so with all questions relating to the rehabilitation of ex-service men.

Mr. ROY: Are any of these industrial training schools located in the province of Quebec?

Mr. LOCKHART: While the minister is looking that up, would the Minister of Pensions and National Health include in that schedule the number of returned men who have been discharged in this present war who are taking the training referred to?

Mr. MACKENZIE (Vancouver Centre): Yes; that question was also asked last week, and we are getting that information. It is difficult in some instances to get the information asked for by the hon. member for Peel, but as far as it is available it will be presented.

Mr. McLARTY: Answering the hon. member, the schools situated in Quebec are: the Hull technical school; the dominion-provincial aircraft school, Cartierville; l'école d'arts et métiers, Lachine; l'école technique de Quebec, Quebec city; l'école d'arts et métiers, Lauzon; l'école d'arts et métiers de Maisonneuve, Montreal; l'école d'arts et métiers, Rimouski; l'école technique de Montreal, Montreal; the Shawinigan technical institute, Shawinigan Falls; l'école d'arts et métiers, Sherbrooke; l'école technique, Trois Rivières; and l'école d'arts et métiers, Verdun.

Mr. CASTLEDEN: Will the minister give the latest figures he has on unemployment in Canada, both skilled and unskilled?

Mr. McLARTY: I shall be glad to supply the figures, but I have not them with me here.

Mr. CASTLEDEN: In the particular area of Saskatchewan where I live they were building an airport last fall, and there were so many unemployed that over six hundred men registered at the employment office and notice was given that there was no use in any more registering. These people are still looking for work. Is the Department of Labour doing anything with regard to seeing that such unemployed men are moved to industrial areas where apparently there is a lack of labour?

Mr. McLARTY: It is a rather slow and difficult course to do that. We have moved a number of men from the prairies, but it must be remembered that except for particular skilled classes of labour there is, as far as I am aware, no shortage in any part of Canada.

Mr. CASTLEDEN: That is what I wanted to know.

Mr. HANSON (York-Sunbury): There is a surplus of ordinary labour?

Mr. McLARTY: Yes. There are exceptions; I understand in Halifax, for instance, there might be some shortage, but areas in which there is any suggestion of shortage except for skilled labour do not exist. Therefore the situation would not be helped by moving unskilled people from one section of the country to another on a large scale at the present time.

Mr. CASTLEDEN: May I take it then that there is unemployed unskilled labour in every area?

Mr. McLARTY: With the possible exception that I mentioned I understand that is the situation; that is the advice I receive.

Mr. GRAYDON: I hope the minister is not forgetting the great scarcity of agricultural labour practically all over the dominion.

Mr. McLARTY: No. I assumed the hon. member meant industrial labour. I am advised that there is a definite shortage of farm labour. That is a problem to which the interdepartmental committee on labour supply is giving attention. The hon. member referred to the construction of an airport and said that six hundred men had applied for work on it, so I took it he was not referring to farm labour.

Mr. O'BRIEN: Did I correctly understand that these payments are made to the provincial authorities and that they determine how the money is used?

Mr. McLARTY: The hon. member is referring to the contributions?

Mr. O'BRIEN: Yes, from this fund.

Mr. McLARTY: Perhaps it would be fair to say: yes, in the mechanics of the thing that is the way it is done, but it is always done by consultation between the province and the dominion.

Mr. O'BRIEN: As to how it is to be used?

Mr. McLARTY: Yes; we agree on that.

Mr. O'BRIEN: How much has already been paid to New Brunswick, and has any amount been appropriated to that province for the future?

Mr. McLARTY: I am afraid I cannot answer that now, but I shall be glad to obtain the information.

Mr. HANSON (York-Sunbury): And the same for Nova Scotia.

Mr. McLARTY: I shall get it for all the provinces.

Mr. GILLIS: I notice in this appropriation there is $3,885,000 for that purpose. How much of that is allocated to Nova Scotia, and what has been spent there to date?

Mr. McLARTY: I shall be glad to get that.

Mr. JACKMAN: What steps are being taken to increase the number of instructors? The reason why I ask is that some months ago a small advertisement appeared in the Toronto dailies suggesting that if there were any old employees who were still of some effective use, they make their services available for training these young men for war industries. I communicated with a constituent, an expert machinist, who had recently been pensioned by the Consumers Gas company, and he wrote to the department in Ottawa, I assume the Department of Labour, and received a reply saying he should make his application to the Ontario department of labour, which he did and received a formal acknowledgment. That was some months ago and he has not heard anything further.

I notice in this war emergency training programme the administration seems to be pretty well under provincial jurisdiction. It says on page 6:

> While the control and administration of training in the schools is a provincial responsibility, continued and greater federal financial assistance will be necessary for war training purposes.

Does it not seem that this programme might be better carried on if it were directly under the Department of Labour of the dominion, which is putting up practically the entire resources for it? If that were done, then we might be assured of a greater supply.

Mr. McLARTY: If there were any suggestion that we are not getting a sufficient supply, there might be some merit in the proposal.

Mr. JACKMAN: Supply of instructors, I mean.

Mr. McLARTY: The instructors are drawn primarily from the vocational schools themselves. I understand that where there has been a shortage they have, in some instances, drawn on the railway employees and retired skilled men brought in for that special work. I would not say there is any set plan that has to be followed. It is in the charge of the vocational schools, and they take such steps as they consider advisable to obtain the instructors that they need.

Mr. JACKMAN: But what are those steps?

Mr. McLARTY: The steps would be for the principal of the school and those in charge to arrange, through the sources of information they have, to obtain competent instructors in the particular work in which training is being given. In other words, I do not think you could say that they should go to so-and-so, to the railways or the large industries. I understand they go to both. The course taken to obtain competent instructors depends on the classes that are being taught. It would be impossible to lay down a hard and fast rule.

As to the federal government taking over the schools, I have pointed out that they are owned by the provinces or the local school boards. We are using in great measure their

equipment, and since we are defraying most of the expenses, if it were suggested that the system was weak in any way we might have to do something. The policy, however, of cooperating with the provinces and having them cooperate with us is much more effective than if the dominion were to take over the whole thing.

Mr. ADAMSON: If a municipality had been seriously considering before the outbreak of the war the construction of a technical school—I am speaking of the township of York, and particularly the highly industrialized lake shore area, where they were considering seriously the erection of a technical school—could the minister give any information to the municipalities as to whether the government could assist in the erection of this technical school, which is badly needed in this industrial area?

Mr. McLARTY: I think this question of the dominion government contributing to the cost of erecting a school was brought to my attention before. Of course this government has always left the matter of education strictly to the provinces; and while under certain circumstances a war condition might justify our contributing to the capital cost, certainly I would not be in a position to give any commitment that we would pay some part of the cost of erecting a school. We do contribute to the cost of putting in certain equipment; we do contribute to the expenses, but in no instance of which I have knowledge have we made a capital outlay for the construction of a technical school.

Mr. ADAMSON: If the municipality should be prepared to erect the school, would the government be prepared to assist in providing the necessary machines and equipment for training?

Mr. McLARTY: We would be able to assist in connection with that school in the same way that we are willing to assist every vocational school that has the proper equipment. We would not be prejudiced against that school in any way, if that is what the hon. member means. I would not want to give a blank cheque in this connection, of course, but certainly there would be no reason why we should not consider giving training in that school, as we do in every other available school in Canada.

Mr. GILLIS: I understood the minister to say that in the Halifax area there was a shortage of skilled workers in certain trades, and also that in certain sections of Canada there was a shortage of agricultural workers. Would it be possible at some time in the near future to inform the committee as to the particular trades in which there is a shortage in Halifax, and about how many workmen are required, as well as with regard to those sections of Canada which require agricultural workers, and the number required. I know hundreds of boys who have never had jobs who would like to get them, and it is quite possible that there may be available a good many men skilled in the trades in which there is a shortage.

Mr. McLARTY: Perhaps the hon. member misunderstood my statement. I said that in some parts of Canada there were some shortages of the more highly skilled mechanics, but that the only place I had heard it said there was a shortage of unskilled labour was the city of Halifax. I shall, however, be glad to take note of the hon. gentleman's question, and if I can get him the information I shall be glad to do so.

Mr. DIEFENBAKER: With regard to these estimated expenditures there is one matter that so far has not been dealt with, beyond the explanation given by the Minister of Finance when he introduced the resolution. I refer to expenditures by way of capital assistance for government plants, advances to private companies for additions to existing plants or the construction of new plants, and also the provision of working capital. This is an important matter, which was not dealt with when the resolution was in committee, and I think we should have some explanation with regard to the operation of this scheme of making advances. We find that the estimated cash requirements for 1940-41 amounted, in round figures, to $146,000,000, of which approximately $98,000,000 is the estimated expenditure to March 31. For the coming year, out of an expenditure estimated at $1,300,000,000, the sum of $180,000,000 is the estimated amount required by the Department of Munitions and Supply, a large part of which undoubtedly will be required for advances to companies.

The first question I should like to ask the minister deals particularly with companies that have been set up by the government, or, in other words, government-owned corporations. On December 3, a return was laid on the table with regard to government-owned corporations. Among the questions asked at that time was the following:

Has the government any plan regarding the disposal of such plants after the war?

The answer was:

Yes. The government has plans which vary having regard to the purposes for which each plant was created.

That being so, I would ask the minister to explain the plans of the government with

respect to the disposal, after the war, of these government-owned plants. Then I shall have some further questions to ask with regard to private companies.

Mr. ILSLEY: I shall have to refer the question to my colleague the Minister of Munitions and Supply; I am not in a position to answer it.

Mr. HANSON (York-Sunbury): Would the information not be in the minister's department?

Mr. ILSLEY: I do not think so. We are getting into a very big field now. If it is to be gone into thoroughly, it will require a list of all the plants to which capital assistance has been given.

Mr. HANSON (York-Sunbury): We have that.

Mr. ILSLEY: I suppose my colleague the Minister of Munitions and Supply would have formed some opinion as to the use to which these plants might be put after the war, but I should be doubtful if there would be anything definite about it. Quite a lot would, in some instances, depend upon developments. I think it is hoped that they can be used for certain purposes in times of peace, while in other instances it is doubtful whether they can be so used. I know that in a good many instances, private companies making the expenditures are allowed to write them off in a limited period of time; I do not know whether it is two years or three years.

Mr. DIEFENBAKER: I was referring particularly to government-owned corporations.

Mr. ILSLEY: That would not be the case with government-owned corporations. All I can do is bring this matter to the attention of the Minister of Munitions and Supply when he returns. Perhaps the department would be able to give me some information in the meantime. I should be sorry if this matter were to hold up the passage of this bill. If the question had been asked when the resolution was in committee, perhaps we could have gone into it; but this is a late stage to be asking for a very large amount of information to be brought down. On the other hand, it is a proper, legitimate inquiry, and it may be that the information could be given at some other stage. For instance, I am going to introduce a supplementary appropriation bill for the current year; and while, strictly speaking, this information should not be given during the discussion of that bill, I do not think I would be disposed to take too narrow a view of the matter.

Mr. DIEFENBAKER: I thank the minister for that assurance. I realize his difficulty in attempting to answer questions of this kind at this time. No doubt, however, he would be able to answer questions in connection with advances to private companies, first, so far as capital assistance is concerned and, second, with regard to assistance by way of additional working capital. When the resolution was introduced, the minister mentioned the difficulty of deciding in advance with any degree of certainty what would be the expenditures for the next year, and he pointed out that one of the difficulties in the way was the fact that he was unable to anticipate what moneys would have to be advanced to private corporations during the course of the ensuing year.

Mr. ILSLEY: I do not think my hon. friend is quite right about that. I think one of the difficulties was to ascertain the duplication between the estimates of the Department of National Defence and those of the Department of Munitions and Supply. It is true that there is some uncertainty as to the amount which will be advanced to private companies, but it is not as great as might be first thought. The capacity of the country is limited, and we believe we are now very near the capacity. We cannot go on indefinitely starting new enterprises, because we shall in that way spread our activities too thin. It would mean that we would start many things we would not finish. It would be better to start fewer, and obtain our objectives.

That was not the difficulty I mentioned. The difficulty I mentioned was this, that when we place in our estimates an amount of $180,000,000 for assistance to private companies and for expenditures on government companies, and when we also place in the defence estimates an amount of $666,000,000, there is a certain degree of duplication, the extent of which cannot possibly be ascertained. That was one of the factors entering into the uncertainty about which I spoke. That was the point I made.

Mr. DIEFENBAKER: The minister is recorded as follows at page 823 of *Hansard:*

> But as the house will realize, there are very great difficulties in making precise estimates of war expenditures. In particular, there are at least three factors which make accurate estimates impossible.
> First,—

I need not read that part, because it does not affect the subject we are now discussing. Then he continued:

> The second factor has to do with the capital assistance which has been given to manufacturing plants through the Department of Munitions and Supply. Large sums of money

have been advanced, and additional sums will be advanced, to contractors to pay for adding to their plants or to build new ones. Additional sums will be advanced to provide working capital. In many cases Canada and the United Kingdom are making advances on a joint basis, but in some of these cases the division between the two countries has not been settled.

Mr. ILSLEY: I said a good deal more, though. The hon. member stopped in the middle of it.

Mr. DIEFENBAKER: In view of the fact that this is a matter which comes under the jurisdiction of the Minister of Finance, I would ask him certain questions regarding advances to private corporations. I find that out of the many millions of dollars advanced to private corporations, the only advance to Saskatchewan is to the M. and C. Aviation company of Prince Albert, which received some $81,000 for overhauling a base for the air force, and $450 for office furniture. Have there been any applications from Saskatchewan for advances to private corporations to permit them to build additions to plants so as to make provision for the filling of war orders?

Who determines the amount to be advanced to the different companies by way of capital assistance?

How are the allotments made?

Why is it that in certain instances among companies in the same industry exceptionally large advances are made to some, while others receive only comparatively small advances, each of the companies being capitalized on about the same basis?

Would the minister explain whether or not this system of advancing moneys to private corporations is in effect in the United Kingdom?

Upon whose recommendation was this system brought into effect?

In view of the fact that many millions of dollars have been advanced to these private corporations, as an incentive or by way of assistance, has consideration been given by the government to the powers it possesses under the National Resources Mobilization Act to take over those plants, or to have them operated by private corporations throughout the period of the war, under the direction and supervision of the government?

By these questions I direct the attention of the minister to the type of information to which I believe the committee is entitled.

On whose recommendations are these advances made?

Who are the trustees who look after the advancing of moneys, and the collection thereof?

[Mr. Diefenbaker.]

In other words, I want a general statement of the whole situation.

Mr. ILSLEY: I can give a fairly general statement. First, I would point out that this is a matter administered by the Department of Munitions and Supply, not by the Department of Finance.

Mr. HANSON (York-Sunbury): But the Department of Finance has to find the money.

Mr. ILSLEY: Yes. The Department of Munitions and Supply applies to the treasury board for the approval of draft estimates which, in effect, is approval of certain of the advances, as those advances are required, and that department supplies the Department of Finance with information which makes a case for the approval of the draft estimates, whereupon the estimates are approved, and taken out of the war appropriation. This is done by the treasury board.

After that, when the agreement is made with the particular company to which the advance is made, authorization for that agreement is obtained by order in council. Thousands of these orders in council go through. Of course there are not thousands which relate to capital advances, but there are thousands relating to agreements made by the Department of Munitions and Supply with companies and firms throughout Canada. They go to council, as a matter of fact, there is a committee of council, known as the government business committee, which examines these recommendations to council. If there is anything extraordinary or unusual about them, they are brought to the attention of council as a whole. If we did not adopt some such procedure, council would be so greatly overtaxed that it would never finish the work it has to do.

So far as the Department of Finance and council are concerned, there are those two stages. First, there is approval of the draft estimate. This does not approve the agreement with the company, but merely makes the money available, and places the matter in the same position as if it were an amount voted by parliament. After this, the Department of Munitions and Supply must make a recommendation to council for approval of the particular agreement it is making with the private company. There are those two stages. The real work, however, is done in the Department of Munitions and Supply. The theory underlying the practice is that they have to get ahead; they have to get action. They have to have things manufactured in Canada, and must get things done.

Mr. HANSON (York-Sunbury): They initiate the particular objective?

Mr. ILSLEY: Yes, for the purpose of getting munitions and supplies—it may be a supply of chemicals, or a wide variety of other goods. They do it for the purpose of getting these facilities for the British government or for the Canadian government. If facilities for making the particular type of munitions do not exist and they have to be supplied, the question then arises as to what is the best, the most effective way of getting those facilities established.

There is no use in going to a private corporation and telling them to take a chance, to risk their capital, to put up one or two million dollars because they owe it to their country to risk it. They probably will reply that they cannot afford to put up two million dollars, run their plant for a year and a half or two years, and then find it is not worth anything or is not any good. We have to have some better arrangement than that. Therefore all kinds of arrangements have been made. Sometimes they are willing to put up their own money provided they are allowed to write it off within a certain period, to charge it off to operating revenue. In that event there is no advance from the government; the only thing they get from the government is a market. Either the British or the Canadian government buy their products, and it is with that money that they pay for the plant in the year or two years or three years, as the case may be. In some instances this is not good enough for them and it is necessary for the government to lend them money. Sometimes the government will build the plant and retain ownership in it, or sometimes it will put up an extension to the plant. As a matter of fact, there is no consistent principle followed. It is not a government ownership system and it is not a private ownership system; it is whatever system will get results.

The Department of Munitions and Supply have a number of exceptionally able men who have had a tremendous amount of business experience. They have a large legal staff and a number of trained accountants. I have been impressed with the great ingenuity and ability which they have displayed in making these arrangements, and in getting the wheels of industry turning. Canada is not primarily an industrial country. but the strides which have been made are tremendous.

I was asked if there had been applications from Saskatchewan. I do not know whether there have been applications; I shall have to find that out. It is quite possible that there have been applications and that these have been turned down.

Mr. DIEFENBAKER: Who determines that?

Mr. ILSLEY: The Minister of Munitions and Supply. I do not know whether he does it personally or through his deputy or officials, but he must take the responsibility.

Mr. HANSON (York-Sunbury): He has an executive committee.

Mr. ILSLEY: Yes. They have a good organization and they go over all these applications. They do not please everyone by any means, but they deal with them and are usually able to give good reasons for their decisions. I may say that the Department of Finance keep an eye on things during the early stages. These large expenditures of money are being made under arrangements which are not in line with ordinary civil service procedure. The comptroller of the treasury and the treasury board have been very much alert in obtaining reasons why these things were being done. I must say that in practically every instance the reasons for the course taken appeared to be overwhelmingly convincing.

The next question was: How does it happen that some advances are large and some are small? That would depend upon the requirements of the individual case.

The next question was: Is this in effect in the United Kingdom? I have no information on that.

Mr. HANSON (York-Sunbury): I think it is.

Mr. ILSLEY: I do not know what they do there. I think I am safe in saying that it is not correct to state that it is done here simply because it is done there. This is something which grew up by itself in this country. These men were brought here from all over Canada; they were men with experience, and they went to work with great enthusiasm to try to get production in any way that could be reasonably defended. That is what they have done.

The next question was: Upon whose recommendation was this system brought into effect? I do not think it is exactly a system; it is a set of systems, and they were brought into effect upon the recommendation of the Minister of Munitions and Supply and approved by the government.

The next question was: Was consideration given by the government to the powers which it has to take over these plants or to operate them? Yes; consideration was given to that, but it is a pretty drastic step to take over a plant and run it directly. Many of these plants are being run on a management-fee basis.

Mr. HANSON (York-Sunbury): The government would not do that unless there was refusal to cooperate.

Mr. ILSLEY: No, they would not do that. They would let the existing organization function in so far as they could because, in most instances, they would get better results.

Mr. HANSON (York-Sunbury): As I recollect it—and I speak subject to correction—during the last war the government did not advance into the new fields which have been taken over by the present government. In order to encourage industrialists to produce munitions, which was the big item—we have gone into many other things since—if the government was satisfied as to their capabilities, plant and so on, a trial order would be given at a high price. If they were successful with that order, then the order was renewed at a progressively lower rate, until it was got down to a decent basis. I have often wondered whether there might not be opportunity for abuse in connection with this writing off for depreciation. I understand that most of these depreciation accounts are to be taken up in two years.

I should like to refer to another governmental activity in connection with the providing of additional storage facilities for wheat. In that connection the government has made what I consider is a most generous gesture to the elevator companies by allowing them to write off the cost of structures in two years. I was reading the order in council to-day. These companies are being allowed to write off in two years the cost of new structures which may be good for from five to ten years.

Mr. ILSLEY: At the end of the two years they must lower their storage charges.

Mr. HANSON (York-Sunbury): There are some limitations. At the moment I am not critical of that. I think some inducements had to be offered in order to have them make the necessary capital expenditures. I discussed this matter informally with the Minister of Mines and Resources, and I told him that I thought the principle was one which the government would have to recognize, but I certainly did not visualize a write-off in two years. That, however, is only by the way. What care is the government taking to protect the income tax branch with respect to these write-offs for depreciation by industrial plants? For instance, do they take into account what salvage value there might be?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Could the minister tell us anything about that particular feature?

[Mr. Ilsley.]

Mr. ILSLEY: The McTague board is the one that sanctions the write-off arrangements. The first thing this board does is to estimate the salvage value at the end of the period for which the write-off is allowed. For instance, if the period is three years and it is estimated that the salvage value will be 25 per cent, then at the end of the three years they permit a write-off of only 75 per cent, which would be 25 per cent per annum for the three years. Then, after that, I assume there would be the regular write-off at income tax rates.

The public is, however, protected in connection with these arrangements in two ways. In the first place, if munitions are being supplied to the government—and the government will be the purchaser—as soon as the supplier has had his plant completely depreciated, his costs drop. That write-off disappears as an element of cost, and the price that he can get from the government comes down. That is protection No. 1. Protection No. 2 is that if there should be an intervening period where that was not the situation, the excess profits tax comes in and takes 79½ per cent of his excess profits for the dominion, and he also has to pay from 5 to 10 per cent of those profits to the province, the rate depending upon where he is. So industry is pretty well under control, even with these write-offs.

Mr. RALSTON: May I now give to the hon. member for Vancouver South (Mr. Green) the figures for which he was asking. I do not see any objection to giving them, but I would prefer to give the total figures, and I will let my hon. friend see the division by months. The total up to date for 1941 is between 12,000 and 13,000; that is, recruits for the active army. That does not include the air force or the navy.

Mr. GREEN: Has the minister the figures for the reserve army?

Mr. RALSTON: Does the hon. member mean the enlistments?

Mr. GREEN: Yes, for this year.

Mr. RALSTON: I will get that information.

Mr. McNIVEN: May I ask the Minister of Labour if an item in the Ottawa *Morning Journal* of Saturday last has been called to his attention? It is headed "Enough Ontario Labour" and reads:

> Labour Minister Norman Hipel said to-day that no importation of labour from outside Ontario is needed for the province's war industry except in such highly-skilled trades as tool and die-making.

That can be interpreted as a notice from the government of Ontario to the people of

the rest of Canada that the people of Ontario want a monopoly of employment in Canada's war industry, for war industry is largely situated in that province.

Last June I made some inquiries and learned that employment in Ontario was arranged for the proprietors of those war industries through the Ontario government employment offices, and I was likewise informed that in order to get employment through the Ontario government employment offices one had to be a resident of that province for two years.

I protested to the Minister of Labour at that time, and I believe that this regulation was relaxed, but we have here again a warning from Ontario's minister of labour to the rest of the people of Canada to stay out of Ontario because "you are not wanted, you are not required, you are not needed, for we demand for Ontario residents a monopoly of employment in Ontario's war industry".

How does that affect us in other parts of Canada? In my own city of Regina, with a population of 55,000 people, we have, on relief, 1,044 men who are fit for war work. They are not unemployable. They are healthy vigorous men, heads of families, who desire and require work in order to maintain themselves and their families. As an alternative to employment they must be provided with relief. The same condition prevails in Moose Jaw and in practically every other urban centre in Saskatchewan. Frankly, we do not like notices such as the one I have just read from the minister of labour of Ontario that that province intends to monopolize labour employment in Canada's war industry.

Further, the greater part of the moneys that have been advanced to subsidize war industry has been invested in Ontario, and the greater part of the army training, of the air training programme, is centred in Ontario. Likewise, the great military camps are centred in Ontario. An analysis of pay and allowances shows that the great bulk of that sum also goes to Ontario.

What is the situation in our province? War conditions or the particular facts concerning war strategy make it impossible or inadvisable for us to sell our wheat; freight rates, or the lack of power or the lack of this or that also make it impossible for war industries to be established in Saskatchewan, so we are told. The necessities of dominion government finance also make it necessary to refuse any further advances for relief.

I ask you, Mr. Chairman, to visualize the situation of Saskatchewan where there are one million people anxious and willing and equipped to do their part in this war effort and to pull their full weight. They are precluded from so doing by the facts just enumerated and emphasized now by an announcement such as I have just read. If that situation continues, there is going to be a definite protest, couched in more definite language, from all the rest of Canada and a demand that this centralization of war industry shall cease, that war industry be decentralized and spread out so that all the people of Canada will be given a chance to do their part.

Mr. DIEFENBAKER: Again referring to the matter of advances, may I say first that I entirely agree with what the hon. member for Regina City (Mr. McNiven) has just said, and that is the reason why I have asked the questions I have been asking. I wished to ascertain why, when approximately $300,000,000 is advanced over a period of time to assist corporations in other provinces in the building of plants or in making extensions to their plants, only $75,000 or so has been advanced in Saskatchewan, to this one company, in the city of Prince Albert, although we have in Saskatchewan the coal and the power available to handle a greater share of war industry.

I wish particularly to ask the Minister of Finance what considerations govern in the granting to corporations of advances for working capital. That is quite a different thing from some of the instances to which he refers, namely, advances of money in order to help in the construction of plants or advances to protect industrialists from the day when there is a change from a war-time economy to a peace-time economy. On whose recommendation are these advances of working capital made?

Mr. ILSLEY: The same.

Mr. DIEFENBAKER: The same. So that the recommendation in every instance is made by the Minister of Munitions and Supply?

Mr. ILSLEY: That is correct.

Mr. DIEFENBAKER: Who are the trustees who look after these advances that are made particularly for working capital?

Mr. ILSLEY: I do not know of any trustees.

Mr. POULIOT: I agree with what my good friend and esteemed colleague from Regina City has just said about the industries in the large centres. We have, of course, to a very large extent a centralization of war industries; and as a result of that, in many instances the employees cannot find suitable homes. The large cities are filled with workers of every description, and small centres cannot have their share. When we make representations, we are never listened to.

I have taken the trouble to study the set-up of the Department of Munitions and Supply, and it is far from being satisfactory. I regret that the minister is not in his seat at present, so that I could question him. His duty is to be here to-day to listen to hon. members who have observations to make.

Mr. MACKENZIE (Vancouver Centre): He is on duty.

Mr. POULIOT: His duty is to be here; as when something arises affecting the Minister of Pensions and National Health, it is the duty of the minister of health to be here. All right, but he cannot answer for the other minister. Moreover, he is not the leader of the house. I want him to keep quiet while I am speaking.

The ACTING CHAIRMAN: Order.

Mr. POULIOT: I do not want any disturbance; and further, I do not need any brotherly advice from my hon. friend the minister. The duty of the Minister of Munitions and Supply is to be here, especially when a bill like this is before the committee. It is a most important bill so far as his department is concerned, and we are spending millions upon millions of dollars; yet the minister is not here. Where is he? I do not know.

Mr. ILSLEY: I can tell the hon. member that the minister is absent from Ottawa on work of the very greatest importance.

Mr. POULIOT: Yes; but I am very sorry he is not here now. This is important for him to hear. I am very sorry he is not here to listen to it, because I am sure he has no time to read *Hansard*, and these remarks will not come to him.

I have to complain very bitterly about the set-up of the Department of Munitions and Supply. Except for a few branches, it is impossible to get any satisfactory answers. Once I had to write to one of the controllers, who had never replied to my letters, asking him when he would answer me that he did not reply to any letter; then I got an answer.

There are a large number of people in this country who are willing to work, who are willing to do their bit for Canada, who tried to enlist but were not accepted by the medical authorities, or were discharged, and cannot secure work anywhere. Their experiences were very unfortunate when they went to the employment office in Quebec city. It happened that on one occasion there were two people who had letters "To whom it may concern", signed by a minister. They were not direct recommendations, but they were indirect recommendations to the effect that these men were worthy of employment. When they went to the office they were told that no recommendation would be accepted. Afterwards they had a recommendation of the same kind from another minister. It was addressed to the man who was supposed to be in charge of the office. When they went there they were informed that he was behind a screen. He had a sore toe; he was behind the screen, and nobody could see him.

Mr. POWER: I hope the hon. gentleman does not say that I gave the letters.

Mr. POULIOT: No, I do not say that. I say, moreover, that the letters were "To whom it may concern".

Mr. POWER: I have never given any of those letters.

Mr. POULIOT: I know, and I appreciate the fact, that my hon. friend is very busy. But these letters were given, and I do not blame ministers for having given them. Those in charge of the office are very hard to see, and the business is arranged in a very strange way in Quebec city. The members do not play politics; they give a chance to everyone; they try to satisfy everyone in Quebec city, whether he is a Tory, a Grit, a "Socred" or to whatever political group he belongs. That is all right; if I had enough to serve everybody I would give a chance to everybody, Conservatives as well as Liberals. But the poor devils who come from outside cannot receive anything; because they come from outside, because they do not live in that Mecca, they are barred from employment in Quebec city. It seems that every man who is willing to work should have a share of the employment. Why are those of Quebec city privileged at the expense of poor country people who are willing to work, who try to enlist and are not accepted for medical reasons, sometimes because they have not the required weight? Whatever may be the reason, when a man who is willing to enlist has been found medically unfit or has received his discharge, and when he goes to the employment office, it is not a pleasure for him to be turned down.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. POULIOT: Mr. Chairman, I do not intend to make any speech, but my idea will be to mention just a few facts especially relating to the bill which is now before the committee. It is entitled "An act for granting to his majesty aid for national defence and security." The word "security" must have

a meaning, and the meaning should be that there should be protection for every part of the country. I wonder what protection the part of the country in which I live and which I represent in this house may have at the present time against any possible attack by land or air or water. In other words, I should like to know what is the military protection for the city of Rivière du Loup and the county of Témiscouata. I have made representation to the Department of National Defence for a military training centre, a military camp in the vicinity of Rivière du Loup, and the experts of the department have not yet answered. I had occasion some years ago, when the estimates of the Department of National Defence were increased for the first time, to say what I thought of those experts, and I shall judge them after they have given an answer and I see what it is.

In connection with all that expenditure there is something that should not be overlooked. I shall quote a few words spoken by a great lady who has a very clear mind and a very generous heart. My quotation is from the Montreal *Gazette* of October 8 last year. The heading is:

Home Services must be continued declares H.R.H. Princess Alice.
Holds they are no less important than war projects though they lack glamour—Urges aid to Magdalen islands—Speaks to Women's Canadian club.

The report continues:

No less important than direct war work, though it lacked glamour and romance, was the task of keeping important home services going, said Her Royal Highness Princess Alice when yesterday she addressed the luncheon meeting of the Women's Canadian club held in the Windsor hotel. She stated that it was "more than futile" to spend all the money available on the actual war effort to the neglect of essential home services, for when peace came the youth of the country then would be wholly unfitted to share in the great task which lay before it.

In saying that, Her Royal Highness expressed what many people in every part of this country are thinking.

An objection that is made by some people is that we have not enough trained men. Of course they consider only those who live in big cities, they pay no attention to the skilled workmen who live in smaller communities or rural districts. Anyone who lives in the country knows that there are trained men of great ability in such places, but they have no opportunity to work on war projects because they are not residents of a city where there is some large war expenditure.

I shall now make a few suggestions to the government regarding what could be done to give to men of good-will an opportunity to do their share even if, for physical or other reasons, they are unable to enlist. This afternoon I received a pamphlet about advertising good roads, a short cut to Alaska. Of course Alaska belongs to the United States and there is a route projected from there to Alaska. But there are other routes of no less importance; from the United States to the St. Lawrence there are three. There is the King Edward VII highway between Montreal and Rouse's Point; there is the Levis-Jackson route, and, finally, there is a route from Madawaska, Maine, to Rivière du Loup through Edmundston. This is an old military road, and it should be maintained in good order now that we are supposed to receive military supplies from the United States by truck. It may surprise the committee to know that the province of Ontario has received more than $14,000,000 for the trans-Canada highway, and has a very big project for this year, while the province of Quebec until last year received only $400,000 for the same project. We did not have our share, and since we hear now only about war projects, I do not see why the government does not take this opportunity to redress the wrong that has been done to the province of Quebec in the past, by spending a certain amount of money on repairing and putting in good order the military route between Edmundston and Rivière du Loup and keeping it open in winter time.

Mr. HANSON (York-Sunbury): Hear, hear.

Mr. POULIOT: I am glad to hear my hon. friend say that because he knows the place very well; he travels there often and he knows it is an old military road. There is no reason why it should not be made up to date immediately. It would be at the same time an evidence of good-will to our neighbours who are our allies and associates in this war.

Then, with regard to the manufacture of wooden boxes for shells, immediately after the start of the war there was no question of manufacturing wooden boxes for shells; the shells were wrapped in corrugated paper, just like bottles of Scotch. I wonder whether that was done by Mr. Dunning or on his advice, because he was interested in the Consolidated Paper company and other pulp companies, or Mr. Belnap or Mr. Crabtree or another. It would help the smaller industries in various parts of the country if those boxes were made in the same way as in the last war. I understand that now the Department of Munitions and Supply is starting to do it again.

Another thing that some of my friends know and that my hon. friend the leader of the opposition knows also is that ships have

already been built in the estuary of the Rivière du Loup by the Fraser company. I remember that a steamship was built there. It is a fine place to build ships, and I do not see why our people should not be given the same opportunity that is given other people to build ships in other parts of the country. There are before the government at the present time requests that this work be carried on there, as well as requests for dry docks at that point, and I believe these projects would further our war effort and at the same time give many more people an opportunity to do their share.

I might leave the matter at that. I am very sorry the Minister of National Defence is not in his place, but perhaps at another time I may ask further questions. In any event I have placed these facts on record. I would say further that we must have regard to the unemployable unemployed in our country, as well as to those who are unemployed at the present time although able and willing to work. They must be given a chance. Canada does not consist only of the capital cities of the provinces and the great centres of population; Canada is more than that. Canada is every part of this country from ocean to ocean. War industry must be decentralized to as great an extent as possible. These industries should be located not only in the constituencies represented in this house by ministers but also in the constituencies represented by private members. I say that because in all constituencies the people are subscribing to drives of all kinds, and the men are enlisting. In Rivière du Loup, for instance, with a population of 9,000, some 550 men have enlisted voluntarily in the army, the air force and the navy, which is an average of over six per cent. We must not overlook the fact that Canada is a large country; that it is represented here by 245 members, and that each constituency is entitled to have a share in the work necessary to win the war.

The men now unemployed must not be allowed to starve after April 1, although it has been decided that this government will not contribute in any way to relief after that date. I would direct the attention of members of the government to certain facts which I placed on *Hansard* last year, and I urge as strongly as possible that we follow as closely as we can what is being done for the unemployed in the United States. Many boys have been found unfit for army service because they have not been properly fed. That was because the unemployed did not have enough to eat and did not receive the medical attention to which they were entitled, and which the unemployed were given in the United States. This is a humanitarian business, and the country receives some benefit in return. I was appalled at the proportion of young boys who were found medically unfit for military service. Two of the war ministers stated that about one-third of those who applied for enlistment were not accepted for physical reasons. In a country like ours, where the climate is so healthful, there is no excuse for that sort of thing. Often I have heard hon. gentlemen from the west say that in this country where the elevators are full of grain there is no reason for anyone to die of hunger, and I agree with that. In my humble view the government should act as a pendulum and try to correct all wrongs of this kind. This is not entirely a question of charity, because the country will receive much in return. For one thing, if the unemployed are treated as they should be, the proportion of men fit for military service will be greatly increased.

There is another aspect of the matter. If no consideration is given our young people in all parts of the country, there will be unrest which will grow deeper and deeper until eventually it may cause great social problems. That is my fear. Our own citizens should be given the first opportunity to earn money in this country. At the present time Canada is a dumping ground for all the countries of the world, and sometimes the fact that a man is a Canadian is an obstacle to his appointment to the civil service, or to consideration which is given other people. I do not mean that we should be other than generous to those who suffer now, but when it comes to filling a position and there is available a Canadian citizen who is competent to do the work, I do not see why he should not get the job.

According to some of the sessional papers, in 1931 there were 3,500 people employed in the Post Office Department who were not born in Canada. In 1937 that number had increased to over 7,000, and now I wonder whether if it is not 10,000. I do not place the blame for this on anyone in particular, but I find it strange that 10,000 people not born in Canada should find jobs in one department of this government while many of our own people are still unemployed. The conclusion is, I think, obvious. It is that we must think first as Canadians. When we give help to Great Britain or any other friendly country in the world we must do all we can; we must do our utmost for the very worthy cause for which we are fighting, but on the other hand

we must never forget that we are Canadians and that we must give our own people the first chance.

Mrs. NIELSEN: Mr. Chairman, there was lengthy discussion when the resolution preceding this bill was in the committee stage, yet this evening I feel that before this bill passes it is necessary that I should say something about one section in particular. Section 2 of the bill mentions the security, order and welfare of Canada. I have sat through these last few days listening to a debate, much of which has had to deal with technical matters. I feel there are some points concerning the welfare of Canada itself which perhaps have not received from the committee the amount of consideration that they should have. It was most encouraging this evening to hear the hon. member for Témiscouata quote the words of the Princess Alice, who said that although these matters of concern to the people of Canada are not perhaps as glamorous as some others, yet they are necessary. It is of those things I wish to speak.

The very first time I spoke in the house I said I would try always to speak in the interests of the lives of the Canadian people. To be consistent, I must continue in that direction. In January, 1941, President Roosevelt said that this was no time to stop thinking about the social and economic problems which are the root cause of the social revolution which is to-day a factor of supreme importance in the world. We can never forget, even in a time of crisis such as this, the needs of our own people.

I was greatly alarmed the other day when I listened to the remarks of the Minister of National Defence for Air (Mr. Power) when he told the house about the number of young men unfit for service. On Monday, March 17 the minister said, as reported at page 1605:

> There will be for training this year 93,000 young men of the age of 21 years. Without hesitation one can knock off 33 per cent of those as being unfit even for military training camps. That is, they would be placed in classes C-1 or C, and unfit to walk five miles.

If so large a proportion of the men called for military service must be classified as C or C-1, then what must be the proportion of our civilian population who are to-day unfit because of ill health to help carry the burden of the war effort. We are fighting a war which not only falls upon the shoulders of the young men in uniform, but is placed upon the shoulders of the civilian population. For this reason the question of the health of our people in these years is one of primary importance.

During the last war there were people who enjoyed what might be called comparative prosperity; yet after that war, when we went down into the slough of depression they suffered unduly. This war is being fought after a period of depression, during which time the health of the people of Canada suffered. I feel that, as time goes on, the health of our people will suffer even more—not only in the immediate future, but after this war is over. We must not forget these things.

After the last war we had the money to pay interest on the debt which accumulated during the war. But during the years of depression we did not have sufficient money to start a national health scheme. I am wondering whether perhaps right here and now is not the proper time and place to begin thinking about the problem of national health. We ought not to leave it until after this war is over.

Recently I came across a pamphlet entitled "The Fight For Life," written by Grant Lathe, M.D., who places on record some startling figures. Among other things he said that in Canada to-day we are needlessly losing many of our children. He said that a needless infant death occurs every hour. There would be 6,500 more Canadian babies alive to-day if the rest of the country had enjoyed as low a rate of infant mortality as does British Columbia. He says that 59·9 persons out of every 100,000 of the population die each year from tuberculosis. That makes an average of 7,500 persons a year. He states that in Canada there is a shortage of 3,500 beds for patients suffering from tuberculosis. He states, too, that syphilis in Canada is causing more than 3,000 deaths each year, and that in 1937 the total number of new cases stood at more than 8,000. Canada has almost as many new cases of syphilis as has Great Britain, despite the fact that Great Britain has a population four times as great as ours. He points out that mental hospital accommodation in Canada falls short of requirements in the amount of 8,657 beds. Dementia praecox takes a terrible toll of our young people. Every fourth hospital bed in Canada is occupied by a person suffering from this disease. He goes on to point out that more young people enter our mental asylums than enter our universities. The inadequacy of existing public health service in Canada is shown by the fact that the average expenditure by municipal departments of health for public health services was only fifty-one cents per person per annum. Yet the minimum necessary is placed at one dollar per person per annum. Only one city in Canada goes beyond that amount. That is the city of Toronto, which shows a rate of $1.21 per person. On the

other hand, Halifax spends only about twenty-two cents. Roughly, two-thirds of our Canadian citizens, or about 66 per cent, are unable to afford the medical care which should be theirs, as human beings.

When we consider these things we feel there is no time like the present for the government really taking into consideration the needs of the people and devoting some of this huge appropriation to the beginning of a health scheme in Canada which would give our people an opportunity to maintain that vigour which is so necessary, if they are to give their very best in the war effort, as they are being asked to do.

There is one other factor which I feel is of the utmost importance. We are fighting a war to preserve and to extend democracy. There is no place where the principles of democracy can be better taught than among our children in the schools of the nation. That must be done, if we are to preserve democracy, because democracy is founded upon the premise that we shall have an intelligent and educated people, and by discussion we shall decide what shall be done. That cannot be effected if we have a population part of which is to be denied the right of education.

Recently the Canadian Teachers' Federation published a bulletin which I believe would be of interest to hon. members. I feel that I could not do better than turn to that group for ideas concerning what should be done in connection with education. As a body they have information on the subject. The federation say they are concerned with the fact that Canada to-day is setting a course which in the future may lead through uncharted seas, and that we are not giving the solicitude to education which as a nation we should give. Education more than any other agency can, by its power, save the ship of democracy, or, by its impotence, scuttle the ship.

The brief which should have been submitted to the dominion-provincial relations conference contains a number of statements about the condition of education in Canada. I believe there was in the Sirois report a statement to the effect that in some parts of Canada education has been terribly neglected and that children in the various provinces do not have equal opportunities. I find this in the brief:

> The present system of financial support for education in Canada is such that only two provinces (Ontario and British Columbia) can take rank in the upper half of the American states in per-pupil expenditure, while four provinces (Nova Scotia, Saskatchewan, Prince Edward Island and New Brunswick) must rank in the lowest quartile of the American states.

It goes on to say that about 49 per cent of all Canadian teachers receive less than $770 per annum, which is below the average initial salary of women teachers in most British countries. In 1938, over 32 per cent of Canadian teachers were paid less than $600 per annum. The teachers' federation say that in England in 1914, after the start of the war, the British parliament voted an increase of about six millions for education. They go on to say that in Canada they feel that the dominion government should—I believe that a body of this kind has every right to state these things—make available a substantial sum, and they suggest $10,000,000 annually, as a grant in aid for education to those provinces which are found by a competent survey to be deficient in tax-paying ability.

I know that to many people these things do not rank with the same importance as the industrial production for our war effort. Yet I cannot help but stress the fact that in a war to preserve democracy these things are of fundamental importance and we cannot afford to neglect them at any time. During this debate we have had many examples of politics, but I feel that to-day it is not politics that matter so much as statesmanship. We should not be thinking of the present or of the next few months; we should be thinking of statesmanship of the future; we should be thinking of the generations which are to come and which will benefit from the things for which we are fighting to-day.

After all, the children of this country cannot speak for themselves. Many children throughout the dominion have no way of knowing that they have unequal chances; they have no way of knowing that they are being deprived of opportunities which would benefit them in the years to come to make a contribution to Canada.

When we come to analyse the income of the average Canadian we realize that it is insufficient for him to give his children a decent standard of health and a decent standard of education. The Canadian federation of agriculture has stated that from 1930 to 1937, roughly eight years, the average net income per farm was $400.50 and the average income for industry was roughly $1,031. There is a great difference between the two incomes.

I think we must all realize that neither of these incomes is really sufficient to maintain the standard of health and education which is necessary for our people. Recently the dominion bureau of statistics made a study of the budgets of working-class families. This really was a striking exposure of the underprivileged position of most of our working families. They broke down the figures to show the amount spent by the average family upon food. A family with a yearly income of around $775 would spend roughly seventeen

cents per person a day upon food. A family earning $1,000 would spend roughly twenty-one cents; a family earning $1,200, twenty-three cents; a family earning $1,400, twenty-five cents; a family earning $1,600, twenty-seven cents, and a family earning $1,850, twenty-eight cents.

Early in 1940 the Canadian Medical Association, with the best dietetic advice it was possible to obtain, drew up a series of menus for families of different sizes. These menus listed only necessary food substances. For the average family of from four to five they placed the cost per person a day for food requirements at twenty-six cents. A family earning $775 per annum can spend only seventeen cents per person a day upon food, and we must get up into the income bracket of $1,400 before we find a family able to spend twenty-five cents per person a day for food. When we find that our farmers are earning roughly $400 per annum and our industrial workers $1,031, we begin to realize that no people earning these sums are able to provide the necessary food to give their families a decent standard of health.

We cannot get away from these facts and I do not think they can be disputed. If they can, I should be only too glad to know it. This investigation shows that one year ago about 85 per cent of our population were forced to live below the minimum standard of nutrition. I fear that now a far greater number of our people will have to live that way. If that is so, how can we expect the people of this nation to make the maximum effort which they would like to make when they have not sufficient in their daily rations to provide the health and strength necessary for a maximum effort. These things simply cannot be done. When these huge appropriations are being made, I feel that the government should inaugurate a health programme in this country, and they should set aside an appropriation for education as aid to such provinces as are needing it. Certain things by way of legislation are needed to get the income of our people up to that level where health can be maintained.

Before very long we may have an opportunity to discuss the need for legislation to provide a floor below which agricultural prices cannot drop, so that our agricultural population may be brought up to a proper standard. Then in the industrial world there are certain orders in council passed by this government which have limited and which will limit the right of our working people to work and to obtain a better wage which the increased earnings of industry warrants. This afternoon the Minister of Labour (Mr McLarty) said that later on we would have an opportunity of discussing certain orders in council which have had the effect of restricting wages. There is no doubt that the matters which I have mentioned are part of our war effort. I feel that with this appropriation bill the government is being one-sided in its war effort. It has not given sufficient thought to nor has it brought forward sufficient legislation for these things which I have mentioned.

There is no doubt that to-day we as a nation need greater vision in looking toward the future. We cannot expect to have the benefits of democracy if we are not willing to put into the lives of our people those things which are so necessary to encourage democracy and to make it flourish and function. I feel that in the advisers of our government to-day there is too strong a representation of business and industry. In the governmental committee assisting in the war effort where are the educationalists? Where are the members of the medical profession? Where are those people who have a broader and wider vision? This committee which is aiding the government in its war effort is made up almost exclusively of business interests. As long as that is so, the war effort of the government will continue to be directed more or less in that one direction and will not be directed into those various channels so necessary in a fight for democracy.

This makes it quite easy for those people interested in industry to talk loudly of their patriotism. But patriotism consists of more than mere words. To-day patriotism is like charity, it should begin at home, in and around the lives and homes of our own people. Those of us who are prepared to take this course have as great a claim to patriotism as any of those interested in the business side of the war effort, who are continually wanting to concentrate and focus the attention of the nation upon those matters, to the detriment of others.

Before a bill of this kind is passed, the ordinary people of this country should have a better knowledge of what is going to be the foreign policy of this government with regard to the future. There is no doubt whatever in the minds of most of us that we are in this war because Britain is in this war. We have not through the years had a very definite foreign policy, and a great many people these days are wondering greatly what will be our future foreign policy. Are we in our future foreign policy to be guided and directed by those same business interests which to-day are guiding and directing this war effort; if so, what will be their interest, and how will it guide the destiny of this nation?

Some hon. members may have read a book by John McCormac called "Canada—America's Problem", in which he says:

> Canada's foreign policy has . . . consisted largely of a refusal to have any. This almost purely negative attitude has involved the surrender of any right to fashion in peace the imperial policies for which the dominion has to fight in war.

And again:

> The poorest voter in London's east end has more control over Canada's foreign policy than a member of Canada's parliament.

We the common people, before we see the appropriation of such sums as this for war, want to know what is going to be the foreign policy of this government in the future. Are we to be committed to more wars because those who are standing behind the government's war effort to-day can see further profits in involvement in further wars? These are some of the things I feel we cannot pass over without more information.

There was a famous man of the United States who at one time was facing a crisis which was as great perhaps as that which faces us to-day. I am speaking of Abraham Lincoln, who said at the time of the civil war:

> I have two great enemies, the southern army to the south of me and the financial institutions in the rear, and of the two the one in the rear is my greatest foe.

As one of the common people I would say this, and I think there are thousands who would say it with me, that if business and industry are to control entirely our war effort, and if they are to concentrate upon the business side of things for the profit which will be gained from it, rather than allocating some of this money to education and other services of which the people are in need; if this business concentration is to guide the destiny of Canada in the future as apparently it is guiding it to-day, then I think we can bring the words of Lincoln up to date by saying, "We have two great enemies, Hitler to the front of us and the financial institutions in the rear, and of the two the one in the rear is our greatest foe". That is, from the point of view of the common people, the financial institutions are at the present time our greatest foe.

I was pleased to hear the hon. member for Laval-Two Mountains (Mr. Lacombe) say on March 5:

> One of the war aims of the allies is the defence and preservation of democracy. Of course, all forms of government are handicapped by imperfections inherent in their contingent and human nature. For that very reason should they not ever strive after justice, honesty, and sound and true freedom, which cannot possibly be derived from the favouritism and ambition of exploiters, who invariably subordinate the welfare of the people to their own interests?

[Mrs. Nielsen.]

I can certainly endorse those words. I feel that to-day we are fighting against Hitlerism and fighting also for the preservation and extension of democracy. I do not want this war effort to be a one-sided war effort. I want it to be an effort which will truly preserve democracy so that in the years to come we people will be able to say that here in Canada, "a loftier race than ere the world hath known shall rise with the flame of freedom in their soul and the light of knowledge in their eyes."

I feel that in the name of the people whom I represent I must oppose this appropriation bill because it neglects some of the fundamental things for which we as a nation believe we are fighting.

Mr. CHURCH: Mr. Chairman, I wish to call attention to three or four matters on clause 2 of this bill, which is to appropriate $1,300,000,000 for the war. The larger the amount of the appropriation, the less likelihood there is of its being well spent. The main purposes of the bill are to provide for home and overseas defence and for the matters set out in paragraphs (b), (c) and (d). Three weeks ago I asked the government if they would take into consideration the works which Canada has established for the defence of this north American continent. We decided to spend a large amount on defence works on the Pacific coast long before the United States had any idea of passing the lease-lend bill. At that time, two years before the war, Canada was spending about twice as much on postage stamps as on defence by sea and air.

Under the lease-lend act of the United States, Canada ranks with Britain, and I maintain, Mr. Chairman, that with the passing of this appropriation bill we should revise our clause 2 herein and also our elaborate system of exchange and the work of the foreign exchange control board, and that an agreement should be made between Canada and the United Ctates for the parity or near parity of our dollar with the United States dollar, notwithstanding any law, statute, usage or custom to the contrary. As I said, Canada, by a ruling handed down by the attorney general of the United States, is to receive equality of treatment with the mother country under the lease-lend measure. I feel that the people of this country from coast to coast are willing to make any scarifices to win this war, and I believe they will support this appropriation if they believe the money is essential to the winning of the war.

I believe there has been too much talk altogether, judging by the statements I have heard from the government, about home

defence. Home defence is not as essential here as it is in Britain. Britain is only a few minutes by air from the continent of Europe and is within easy range of German air power, bombers and flame parachutes.

I believe that under this bill the Canadian government should take up with Washington the question of making an arrangement to recoup the people of Canada for the expenditures they have made on defences by land, sea and air. When all is said and done, what is the basis of Canada's foreign policy? As a matter of fact, we have never had any foreign policy at all. As to defence policy, the Minister of National Defence two or three years ago—we had only one Minister of National Defence then—laid down two cardinal principles of our defence. One was home defence, and the other was to protect our neutrality against any foreign power that might want to use our harbours and ports for non-neutral purposes to attack the United States. With very little change that is the policy of the government to-day. So I say that the government should take this matter up with Washington, and I believe they should pay part of this bill, because the purpose of most of this is to protect the neutrality of Canada in case the United States is attacked.

Another matter, Mr. Chairman, I referred to the other night. Mr. Wendell Wilkie got a glorious reception to-day in Toronto—the leading recruiting district of Canada; they came there from all over Canada to seek recruits for units spread all over Canada for Canada's forces. Mr. Willkie could tell this parliament and the people of Canada some things which his country has done for its soldiers that we have not done for ours. The first relates to national insurance for soldiers. This parliament has adopted a measure of insurance for those civilians who stay at home. Then why should not the soldiers who are going overseas to risk their lives for the people of Canada be insured also? The last time this resolution was being discussed I proposed to put on *Hansard* something which was not allowed to be inserted, though hon. members may notice that in the same day's issue three or four treatises of ministers were included. A bill for national insurance for soldiers which the president signed at Washington three weeks ago insures every soldier in the United States for a large sum of money. The policy contains a clause which protects his dependents and provides for contingencies—demobilization, unemployment, sickness after the war, and all that kind of thing. The United States had a form of insurance during the last war. It saved the taxpayers large sums of money in pensions and assisted the men when demobilization came. I believe we should have a national form of insurance for our own soldiers. Toronto insured for one thousand dollars all its soldiers in the last war.

Another reason why I am suggesting it is this. I have here a form of insurance contract which every soldier has to sign who, when he goes to war, has an existing policy with any insurance company in Canada. I might say first, as hon. members may be aware, that it is impossible for a Canadian soldier, or for that matter a Canadian civilian travelling overseas, to remain insured under any policy purchased since September, 1939, if he leaves the confines of the Dominion of Canada and the continental United States of America, unless he is prepared to pay an exorbitant additional premium. If that extra premium is not paid, and death should occur, the insurance company are liable only for the return of the premiums plus three per cent. Further, if the soldier should die from any cause whatsoever within six months after his return to Canada, a death claim will not be paid.

I have here a copy of the uniform war clause contained in all Canadian war policies issued at the present time. The soldier's policy, unless he can pay the additional premium, is practically vitiated. I believe that the government would have been well-advised if, in place of some of the expenditures provided for under this bill, they had inserted in the estimates under a national insurance plan for soldiers, a small amount to protect the lives of the soldiers who are going overseas. My view is that there should be an immediate investigation by a committee into the matter. I wrote about it to the inspector of insurance, Mr. Finlayson, because I believe that in view of the small number of casualties which we have had in this war as compared with the last war, the premiums charged by Canadian companies are exorbitant and should be inquired into by this parliament, in the interests of the soldier, of this country, and of the future of insurance in Canada. The life insurance companies are not doing their duty.

Just one or two other matters. I may say that so far as the soldier is concerned, Mr. Willkie could tell the people of Canada what his country is doing for its soldiers travelling on the railways. While recently on a train, I noticed that troops coming from Petawawa are required to pay $1.25 to $1.50 for a meal, and similar rates apply to men travelling from one camp to another all over Canada. Under the United States government the railways have had to come to time on the rates for soldiers' meals. On the Union Pacific a day's meals can be had for ninety cents—twenty-five cents for breakfast, thirty cents for lunch, thirty-five cents for dinner, or three meals for

ninety cents, or for less than the price of one which on our railway systems, is being charged soldiers who receive $1.30 a day.

Another thing that Mr. Willkie could have told us is what the United States is doing about soldiers' fares. How did it come about that Canada, where it is estimated 700,000 passes are issued annually by the railways, has not enough money, under clause 2 of this bill, to transport its soldiers? How did it come about that a country which is paying out $4,000,000 a day cannot spend the equivalent of one-half hour's expenditure to give its soldiers free transportation? Every day on the trains I see men, connected with almost every department of the public service, travelling on annual passes, many in contravention to the Railway Act. Why does the government not do as the United States and other countries have done—compel the railways to carry the soldiers free? In addition, in the United States they copied what was done in the last war by the city of Toronto, where soldiers travelled without charge on the street-cars: it is not done in this war, but some arrangement should be made by the government with the municipalities for free transportation of troops who live in the large cities and have to travel long distances from the suburbs to the place of recruitment or to a camp, and the federal power should pay for it.

I have here some tables of railway fares, and they are exorbitant. The rates paid by soldiers are, sometimes one-third more than those at which, from time to time, civilians can travel on special occasions from the maritimes, for instance, to central Canada. I called this to the attention of the railway commission and asked them to stop this discrimination of their own volition as the Railway Act empowers them to do, but nothing was done. They would not do anything. They seem to have also the parliamentarian's religion, the policy of following the line of the least resistance and doing nothing. Everybody in Ottawa seems to be afflicted with it and with this virus of inaction. I might mention that out of this vote of $1,300,000,000 large sums will be paid the railways for transporting troops vast distances across Canada to camps which never should have been erected; yet apparently we cannot afford any money for the particular purpose I have mentioned. Illegally, as I contend, an order was passed prohibiting hitch-hiking and making it a military offence, over parliament's head. I have here a letter from the Ontario minister of highways, Hon. T. B. McQuesten, in which he says that he had not seen the order to which I referred, but that neither his department nor the Ontario government had ever at any time objected to hitch-hiking by soldiers. Civilians are permitted to hitch-hike, and why should soldiers be discriminated against by some officers who have federal cars at camps? The order is illegal, and I hope it will be at once withdrawn. The railways inspired such an order of prevention. Under this vote an adequate amount should be included to pay transportation for soldiers on leave. In spite of the hundreds of thousands of dollars provided under this vote for the transportation of troops, I venture to say that when the monthly bills come in, twice the amount of money will be due to the railways on this account as in the last war.

At Camp Borden on Saturday five or six young men were sent to gaol for fake railway tickets. It is a disgrace to the people of Canada that this should be so, when 700,000 passes are yearly issued on the railways and some military officers have passes, and in view of the huge sums which the railroads will be getting under this vote, increasing their receipts—according to a financial column in the morning paper the other day—from forty to forty-five per cent as a result of the war and the transportation which they are paid to give, to all these camps across Canada. Fancy taking Ontario's troops to Winnipeg and Petawawa! I see that there are some Toronto soldiers, the Toronto Scottish, at Three Rivers. Others have to go out to the coast and the maritimes. Why move them all over Canada and put money in the pockets of the railways, in defiance of economy, the nature of the military situation, training purposes, good business, and the interests of the soldier? These young men of whom I have spoken deserve a break, because they were first offenders of whom the commanding officer at Barrie at the trial spoke most highly, and said he would take these men back. At the trial it came out that this was the result of the two railways' influence in stopping hitch-hiking. I do not see any members of parliament hitch-hiking, or any members of the government, or any of the seven hundred thousand people in Canada or officers of camps, who have passes. The Duff report of 1931 sets out at page 154 reforms which should be made in transportation passes and suggests changes in the whole system, but nothing has been done.

This vote is too large; the railways are getting too much; those matters should be looked into; we should have a rescinding of the illegal order to stop hitch-hiking, and camp officers should ignore it. Leave is refused if a soldier has not enough money for

fares. An inquiry should be held into the whole matter by a committee of the house, and into all these matters.

Mr. HAZEN: I wish to ask the Minister of National Defence whether instructions have been given to officers commanding army units and other army officers to observe by-laws passed by municipalities for the purpose of preventing fires, and to cooperate with the civil authorities in avoiding fire hazards on army premises.

There have been a considerable number of fires in premises occupied by the army in different parts of this country. There were fires in the exhibition building in Fredericton, which was destroyed; in the O'Regan building in Saint John, which was destroyed; in the exhibition building in Saint John, which was destroyed; in a building in Yarmouth and in other buildings not only in the maritimes but in other parts of Canada.

I am bringing the matter to the minister's attention because I recently saw a report, dated January 16 last, made by Colonel E. J. Mooney, building inspector for the city of Saint John, to the common council of that city. In the course of that annual report he said:

> Another local condition I would like called to the attention of the council is the way the defence department is doing work without taking out building permits, which means that I have no authority to inspect the work done. I spoke to Major Blake, commanding officer of engineers at headquarters of military district No. 7, and he informed me that the engineers could design and build according to their own ideas and local civic authorities had no jurisdiction. As a result all kinds of infractions of the building and fire laws and common sense have been made and on several occasions due to lack of common knowledge such things as furnaces in our exhibition buildings were placed on thin concrete slabs on top of wood floors, stovepipes carried through wood partitions without proper insulation and as a result our fire department had to be called out to extinguish fires in these buildings.

About a month after that report was made, the exhibition buildings in Saint John were burned down. As far as those buildings are concerned, my information is that in the exhibition building proper there were five stoves, and the chimneys of those five stoves were all connected with a seven-inch jointed stove pipe that must have been about forty feet long running up through a fibre board false ceiling to the upper floor, and then to the roof. In the blind space between the ceiling and the floor above, there must have been a great accumulation of dust, and there is information that the dust fell down from the floor into this space when the upper floor was swept. There were a great many panes of glass out in the front of the building—as a consequence, there were plenty of blobs of dust floating around, and the chimney, without any sort of insulation, must have been red hot at times, which would set fire to this dust.

The board of fire underwriters looked into the matter and made two reports. I am informed that the first report showed that there were great fire hazards and they were ordered corrected, and the report went on and said that they had been corrected. A second report, however, was subsequently made which said that not only were the former hazards replaced but they were greatly increased. Not only was the exhibition building destroyed and a number of other buildings adjoining it, but some valuable equipment was destroyed. One man lost his life, and if the fire had happened at night instead of in the middle of the day, in all probability a great many men would have lost their lives.

At the present time in the barracks square back of that building there are many temporary huts. My information is that they are constructed of light inflammable wood with pitch roof, false fibre board ceilings, and with jointed stove pipes running up through to the peak, with no insulation whatever; that some of these huts must accommodate a great many men, and that at any time there are likely to be further fires in these huts.

In addition, I should like to ask the minister whether these fires were investigated. If they were, who investigated them? After they were investigated, were reports made to the department, and can these reports be tabled? Further, was any action taken in consequence of these reports, and was any disciplinary action taken against any officer in consequence of these fires breaking out?

There is another matter to which I wish to refer. I do not wish to trouble the minister too much, but could he outline to us how promotions are made among officers in the army in Canada? There have been a great many promotions. This matter must be of considerable importance to the Minister of Finance. How are these promotions made? Is it a matter of time; does a man have to serve a certain length of time in one rank before he is promoted to another? I may tell the minister that there is some dissatisfaction among officers who volunteer and go overseas and do not get promotion, while those who stay home do, in many instances get promotion. Might not some way be evolved whereby promotions at home might be a little slower, even though the officers have to take on some other duties?

Mr. RALSTON: Regarding the fires, I wish my hon. friend had drawn my attention to this matter so that I could have obtained a report from the quartermaster-general as to the matters of considerable detail with which he has dealt in connection with construction at Saint John. I cannot tell him at this moment whether or not actual orders go out requiring cooperation with the civic authorities. I do remember that in the case of one of the fires to which the hon. gentleman refers, high praise was given some of the military personnel who assisted in putting out the fire and in saving the equipment.

With regard to the matter of fires, I can only say to the hon. gentleman that I will make inquiries and give an answer either to him personally or to this committee. The practice is to hold courts of inquiry, and the findings of those courts are placed before the officers concerned, after which action is taken. I cannot give particulars at the moment; I remember the Yarmouth fire and the one at Saint John. Those are the two that have been brought particularly to my attention. I can assure the hon. gentleman, although I imagine I hardly need to do so because I believe he knows himself, that the district engineer officer at Saint John, Captain Blake, is an experienced officer who would not, I think, wilfully or carelessly put up buildings which did not conform to proper requirements with regard to fire hazards. However, I shall be glad to look into the matter and see if there has been any negligence or lack of care.

With regard to the matter of promotions, let me say to my hon. friend that promotions are made on the recommendation of the commanding officers concerned. These recommendations are passed upon by the district officer commanding, and then they come to national defence headquarters for approval.

With respect to staff appointments, as I think I have already told the committee, these appointments are made, after examination, by the selection board at national defence headquarters, based upon recommendations which are received from all over Canada as to officers in each district who are regarded as suitable for promotion or appointment to particular staff positions. These reports are gone over thoroughly, and the selection board itself makes the selection on the merits of the case. Although I should be disappointed to hear of it, at the same time I should welcome any instance my hon. friend can give me in which promotions have not been made on the basis of merit, whether in connection with the forces in Canada or for overseas service. If there is one thing I have tried to emphasize, and I think the officers at headquarters have tried to emphasize, it has been that particularly at a time like this, and, as far as that goes, at all times, promotions must be based on merit. I want to say to my hon. friend what I stated to the committee the other day, that I am a bit radical in respect of this matter of service and seniority. There are instances when it seems to me promotions ought to be made even over the heads of more senior officers, when the merit and the services of particular men may warrant that being done; and I wish to say to the hon. gentleman that I think this principle does govern the selections which are made at national defence headquarters. I had a talk on the same subject with the district officers commanding when they were here, and I would very much expect that this policy is being followed.

I say again that if my hon. friend has any instance in which he thinks an injustice has been done, I should be glad if he would bring it to my attention, although I want to tell him that I am taking the only ground that a minister can take if he is going to administer an armed force; that is, to see to it that there is no interference from national defence headquarters with the responsibilities of officers commanding in connection with making recommendations for promotions. We hold the officers commanding responsible for the administration of their units, and if we attempt to thrust upon these officers people whom we at headquarters may think desirable men, then the chain of responsibility is broken.

Mr. COLDWELL: Arising out of the interesting speech made by the hon. member for North Battleford (Mrs. Nielsen), there is a question I should like to ask the Minister of Pensions and National Health, who happens to be out of the house at the moment although he has been here almost continuously since the beginning of this debate. Yesterday in the New York *Times* I read a report by a United States doctor and a group of nurses who spent a considerable time this winter at the port of Halifax. That report was rather alarming, particularly since we have heard nothing about the matter in our own newspapers or in this house. The situation, it seems to me, concerns not only the Minister of Pensions and National Health but the ministers of the various branches of the defence forces as well.

The report stated that during the past few months Halifax had been a cesspool of preventable disease; that there had been a large number of cases of diphtheria, influenza and meningitis. When I heard the hon. member for North Battleford say that Halifax

expended only twenty-two cents per capita, I think, on health services, I felt that someone ought to bring this matter to the attention of the ministers concerned, particularly because so many boys from all over Canada are at Halifax at the present time. What is being done by the Dominion of Canada to supplement the exceedingly inadequate health services in that city?

The story I read in yesterday's New York *Times*, dealing with the report made by this group who were sent to Halifax by the Rockefeller institute, made me feel not only alarmed but ashamed that such a condition could exist at this time in a Canadian city. It was remarked, of course, that ships from the four corners of the earth were coming to Halifax bringing various diseases, and that new types of diphtheria and other diseases were being brought to that city from abroad. But with thousands of young men passing through Halifax at the present time; with our sailors and those of the British navy in and out of that port, I felt that someone in this house should ask what steps are being taken by the dominion government to supplement the wretched health services that apparently exist in Halifax.

It may be said, of course, that we look after our own troops, but the health of our own troops cannot be better than the general health of the community in which they are stationed for the time being. You cannot easily give them immunity from some of these diseases, and I am asking the Minister of Pensions and National Health what he can tell us about the situation at Halifax, whether any steps have been taken to deal with the serious condition which has developed in that city during the past several months.

Mr. MACKENZIE (Vancouver Centre): I regret very much that I was not in the chamber when my hon. friend raised this question, but I intend to make a full statement with reference to the situation at Halifax when my estimates are under discussion. Briefly, however, there has been complete cooperation between the federal Department of Health and the authorities at Halifax with regard to the situation described by my hon. friend. According to my understanding, the visit of the clinic from Harvard was purely for research purposes. At the commencement of that visit I believe there was some misunderstanding, but later on that was entirely cleared up and complete cooperation was established. I shall be glad to give my hon. friend further information in that regard at a later stage of the session.

Mr. CASTLEDEN: I should like to direct a question to the Minister of National Defence. During 1940 many of us did our best to get the government to consider the matter of free railway transportation for soldiers on furlough. At that time a number of hon. members seemed to believe that it was our intention that every soldier who wanted leave at the end of the week could get a free pass on the railway. That was not my intention when I spoke of the matter last summer, nor is it my intention now. I should like to know, however, whether the minister would be willing to bring down an estimate of what it would cost to grant free transportation to soldiers on their furlough after six months' service, which furlough is, I believe, for about two weeks. I should like the estimated cost in dollars and cents, say for the past year, (a) of free transportation and (b) for men taking such leave if they had been required to pay a one-way fare for the first three hundred miles, and then had been given free transportation for the balance of their trip. I do not think there is any other action which would do more toward bolstering the morale of these men or improving their attitude toward the government and toward those officials who are placed in control over them. I believe it would improve their opinion respecting the general attitude of the government toward those men who are willing to make the greatest sacrifice of all.

Any action the government might take would have a splendid effect upon the morale of parents, brothers and sisters at home who might see again their loved ones who may never come back. The men who are to do the fighting do not know what they are going into over there. I believe the general attitude of the people will be improved if they feel the government is humane in this respect, and if they hold the view that when the boys come back the administration will take care of them.

Mr. RALSTON: Mr. Chairman, I believe there is some misapprehension in connection with this matter, and I am confirmed in that view by what the hon. member has said. There have been all sorts of suggestions with respect to free transportation. Generally, the suggestion has simmered down to free transportation on embarkation leave, as it is called.

I do not think hon. members have a clear understanding of the procedure in connection with embarkation leave. The idea apparently in the minds of hon. members is that men who are taken to a port should be allowed a few days' leave before sailing, so that they might go to their homes, and that on account of their being a great distance from their homes free transportation should be allowed. The committee will understand that it is impossible, from the point of view of our

conducting a war, for us to give even the slightest indication as to when men are going to embark.

What we endeavour to do is this: When men are moved from their home stations, and when we have in mind that it is quite possible those men are being moved for the purpose either eventually or in a comparatively short time of going overseas, the custom is at such time to give what is called embarkation leave. That embarkation leave is not a serious financial burden to a man. It would be serious if he were taken from the port of embarkation, or from a point near the point of embarkation, and sent back to his home. Generally speaking, however, embarkation leave is given some time before embarkation, and given when the men are at points comparatively close to their homes.

As I say, we endeavour to meet the convenience of the men, as far as possible. I did have one serious complaint from Calgary, where it was pointed out that men had not been given sufficient notice, with the result that they felt they could not take embarkation leave, and go home—to Edmonton, I believe—and get back in time. But that was a case which arose through misunderstanding, and I believe that had there been proper administration, those men would have got their leave. As I say, however, the rule is to give embarkation leave at a time when they are near their homes, and, if necessary, we see to it that an advance is made in their pay in order that they may have the benefit of that leave. But we do not give free transportation. The rules with regard to transportation state that the men travel on a one-way fare.

This question of transportation has been raised frequently, and I do not propose to make any extended statement with regard to it to-night. Let me say, however, that I have gone over the records for the last war, and I find no instance of free transportation having been granted, except in one special case in connection with harvest leave. I am speaking from memory, but I believe what I say is correct. Free transportation was never granted, as part of a soldier's privilege, for the purpose of visiting his home. It has been granted only in the event of some special mission, such as the one I indicated as harvest leave, when men were sent home, free of charge, because it was believed to be in the interests of the country so to do.

The granting of free transportation simply means the addition of that much to a soldier's pay; that is what it means. In this war we have increased the pay of the men, and we have provided for dependents' allowances as well. But that is not all. In this war the dollar buys considerably more than it did at the time of the last war. Therefore there has been a substantial increase both ways, both in the amount paid to the men and in the amount the dollar will buy.

I might as well say to my hon. friend that I see no likelihood of the government's reconsidering the decision it has made—and the matter of providing free transportation for men going on leave has been brought to our attention repeatedly. Rather we would endeavour to meet the convenience of the men, as far as possible, and see to it if we can, that leave is granted in such a way that it will entail comparatively small expense if a man wishes to visit his home.

Mr. ROSS (Souris): Has the minister any idea as to the cost involved in granting free transportation? Could he give us an approximation of what it would cost? If not, would he consider negotiating with the railway companies to the end that soldiers might receive the cent-a-mile rate used in connection with excursions offered civilians? It has been pointed out that people coming home from Newfoundland are granted in Newfoundland a free pass to the coast. Then, travelling on the same trains as civilians from the coast to, we will say, Toronto, their tickets cost $22.75, whereas those of civilians who travel on excursion tickets, cost only $15.

It has been urged that the distribution of soldiers in Canada is somewhat different from what it was at the time of the last war. They are not training in their local districts, as they did before, and in many instances they have been moved to coastal areas. Many boys from my constituency in Manitoba are training at points so far away that it cost them from $50 to $60 to secure a round trip ticket.

Mr. RALSTON: From where?

Mr. ROSS (Souris): From Nova Scotia to Winnipeg, round-trip fare. That is a large item, and costs the soldier more than the civilian who travels at excursion rates. It has occurred to me that the railways, upon representations by the minister, might be prepared to make some concessions in this respect, and that a reduction would mean a great saving to a soldier who wished to travel to his home, some distance away. It seems to me that the railways might make some concessions if they were asked by the Department of National Defence.

Mr. RALSTON: I know representations have been made to the railways in the past. I shall, however, be pleased to take note of

the circumstances outlined by the hon. member, and see if they form any ground for reopening the matter with the railways.

The subject of leave from Newfoundland is in very much the same category as leave from overseas. We are endeavouring to provide reliefs for the units in those outposts, so that they will not be away too long, while they are based in Canada, and so that they will have an opportunity to visit their homes and enjoy the privileges of leave in this country. When the men are on duty in Iceland, Newfoundland or in the Caribbean, it is quite impossible that they should pay for leave home, and it is not expected that they will get leave home, because they are on duty, for the time being, just as were the men in France and as are the men in England to-day. I shall, however, look into what the hon. member has just said, and see if it forms any ground for reopening the case with the railway companies.

Mr. REID: I know the minister has given a great deal of consideration to this matter. While it is true he has looked into the records for the last war, may I point out that while the dollar may be worth more, it does not buy more by way of transportation. Transportation charges are just the same. There are many aspects of this war which were not in evidence at the time of the last one.

I know some cases which should receive special consideration. I know of boys, officers and men who at times are out four months at a stretch on patrol duty on the Atlantic. Many of those boys come from the Pacific coast. One in particular, a friend of my family, spent four months on the Atlantic, and upon reaching Halifax was given one month's leave of absence. It cost him $175 for his fare from Halifax to British Columbia to see his people. That is far too much.

I join with the last hon. member who spoke in urging upon the government, if it is to continue its policy of not granting free transportation, to see that strong representations are made to the railway companies to do as they did before the days of the combine, when they took men from British Columbia at a rate of one cent a mile. That would be a splendid thing for the boys and I am advocating it if the government is going to continue its policy of not providing fares for our men.

Mr. GREEN: The minister did not answer the question asked by the hon. member for Souris as to the estimated cost to the government of providing free transportation for the men. This question was brought up last year, and surely the government must have made some estimate as to what it would cost. I think it would be money well spent to provide free transportation for men going on leave after six months' service.

Mr. RALSTON: I have just completed signing a letter to someone dealing with that same subject. As I said to him, I think this is about as nebulous a computation as you could possibly find. You would have to estimate the distances to be travelled in the individual cases and other indefinite factors which make it almost impossible to arrive at even a rough figure. I do not think the roughest sort of estimate would be within, shall I say shooting distance of what it might cost. I shall endeavour to see if we can find any basis upon which the cost could be figured.

I am dealing with the question more on the matter of principle. I have been interested in the number of people who have spoken with regard to providing free transportation, and I have been wondering where the idea came from. It has never existed in Canada before, and I should like to know what has been behind this proposal for free transportation. As the hon. member knows, during the last war when we had leave from France we were given a leave warrant. But that was at the front; it was not in Canada. On principle, I really find it difficult to see why if transportation is provided, other concessions should not be asked for which would, in effect, be additions to the pay and allowances of the men. No one knows better than I how much we owe to these men, but at the same time we have to deal with the matter man fashion. As I said a moment ago, I am not in a position to give any hope that there will be any change in the government's decision. I am not in a position to-night to make even a guess as to what the cost might be.

Mr. GREEN: The position is different from the last war because then men were enlisted and sent overseas in a comparatively short time, whereas in this war many battalions are being kept in Canada.

Mr. RALSTON: Where does my hon. friend get that idea? I enlisted in September, 1915, and went overseas in October, 1916.

Mr. GREEN: I think the minister will admit that his battalion was never far from home when it was in Canada.

Mr. RALSTON: Some were and some were not. My hon. friend said that the men enlisted and went overseas right away.

Mr. GREEN: The majority did. In the present war we have, for example, troops from Manitoba located on both coasts and

being kept there for indefinite periods, perhaps for as long as a year. To-day troops in Canada are much in the same position as were troops in England during the last war when the front line was in France. Now the front line is in England. While we were in England we got free transportation, and I think the same thing should be done in Canada to-day. If the government will not provide free transportation for everyone, why not set aside a certain sum to provide transportation for those men who have the farthest to go to get to their homes? If something like that were done, it would provide relief in many instances. I do not think the government should just shut the door and say it is not going to do anything about this, the men can get home as they like. I believe regulations have been promulgated to prevent the men from accepting free rides on the highways. Is it true that troops of ours are not free to accept transportation on the road?

Mr. RALSTON: The other day I brought down a return containing an order which was issued requiring compliance with the Ontario act which prohibits solicitation of rides by those on the highway. This was with regard to Camp Borden.

Mr. GREEN: It is the same in all provinces?

Mr. RALSTON: I do not think so.

Mr. LOCKHART: That would not prevent a civilian driver from picking up a soldier?

Mr. RALSTON: No.

Mr. LOCKHART: I should like to supplement what has been said by making some observations with special reference to Petawawa. I do not intend to go into the question of inadequacy of equipment and so on or to rehash other matters which have come up lately. In this case, the commanding officer must initial a railway ticket before a soldier can get a pass.

Mr. RALSTON: That is what I understand.

Mr. LOCKHART: Many of these men are gunners, and at the end of a month a man has about $19 left after having provided the minimum $20 to his dependent. These men have been recruited from various parts of Ontario—from Simcoe, Tillsonburg, Brantford, Hamilton, Dundas and other points. The railways advertise a return fare of $6.25 between Ottawa and Toronto, but these men cannot take advantage of that because they must present a ticket before they can get a pass. I do not want to delay the deliberations of this committee, and perhaps the minister could give me a few minutes to discuss these matters. At the present time these men are rather confined, and they will not be out on the wide open spaces for a week or so. I think they should receive some consideration, and I should like to have an opportunity to outline to the minister an idea which was developed yesterday by some of the non-commissioned officers. If this were carried out, I think it would go a long way to satisfy the soldiers.

Mr. RALSTON: I shall be very glad to give my hon. friend two or three minutes, or as many more as he wants. Let me say to him that he is not the only one who is interested in the men at Petawawa camp. There is a battalion from Prince Edward Island at that camp.

Mr. HANSON (York-Sunbury): And one from New Brunswick.

Mr. RALSTON: The men of those battalions have farther to travel than the boys from Hamilton. My hon. friend will not blame me if I am at least sympathetic.

Mr. LOCKHART: It should be possible for these boys to take advantage of the $6.25 fare on week-ends rather than to have to pay $10.55 minimum.

Mr. DOUGLAS (Weyburn): The minister did not seem to be clear as to where the idea for free or assisted transportation came from. He stated it did not exist in the last war, but there were two reasons for that, and there may have been many others. The system of training in this war is different from that carried on in the last. We have specialized groups located in different areas for training. Generally speaking, a man who enters the army service corps will go to Petawawa, as would a man entering the artillery. This would be the situation no matter in what part of Canada he might enlist. If a man joins the tank corps, he goes to Camp Borden. If a man is in the infantry, the chances are that he will train fairly close to home, but that does not apply to the special units and most of the men are in these units. The result is that many men are long distances from home.

I had an example of this coming down on the train when I met a man who had joined the forestry corps in Nanaimo, British Columbia, and who had been sent to Valcartier. He said that was where they were training the forestry units. At the end of his period of training he was given leave and he found himself faced with an impossible situation. If it had not been for the assistance given by some of his wife's people, he would not have been able to go back to Nanaimo at the end of one year's service.

Second, there are large bodies of men being placed on garrison duty. We have the third and fourth divisions disposed of on the Atlantic and Pacific coasts, and a man may find himself posted on one coast, perhaps many miles from his home. At the end of a year these men are given a furlough, but it is no good to them unless they can raise the money to go back home.

There is a changed situation to-day, and that is why the demand has arisen.

What I said applies also to our sailors to some extent and to our airmen, but I mention sailors particularly because every time I happen to be travelling between here and home there are sailors on the train, either sailors going from Halifax to Calgary to their homes, or returning to Halifax from Calgary. The railway fare is, of course, very high. They get only one leave a year, and a good deal of the pay they have saved up is absorbed by the railway fares to take them home.

Those who are advocating government assistance in the matter of transportation have in mind, not free transportation, but assisted transportation. Certainly a man who is stationed 1,000 or 1,500 miles away from home should receive assistance in buying his transportation back home. I know the minister has quite a problem there and that it is not easy of solution, but perhaps a special rate could be worked out with the railways, or else when a man is granted his furlough, if his home was beyond a certain distance, let us say 500 miles, he might be given assistance to cover any distance beyond that.

Certainly the situation to-day is not a happy one for a man who finds himself 1,500 or 2,000 miles from home; it is a situation I knew quite a few men to be faced with before Christmas, and if the man has not the means, he cannot take advantage of his furlough to visit his loved ones back home. I hope the minister will give consideration either to working out an arrangement for giving assistance above a certain mileage, or to arranging with the railroads for a rate of one cent a mile to help these men when they go home on furlough.

Mr. CASTLEDEN: Perhaps the quickest way to deal with it would be for the minister to bring down an estimate.

Mr. QUELCH: I think the stand taken by the hon. member for Vancouver South (Mr. Green) was a sound one. The minister has stated that transportation was not given in the last war, but once the soldier got overseas, free transportation was given. Unquestionably the soldiers are being kept in Canada for a longer period in this war than in the last. I was overseas for four years during the last war, and during that whole time I do not ever remember having to pay my transportation. I was in Canada for a period of five months only. To-day, however, there are many soldiers who have been in Canada for a year or more. There is also this question of the soldiers being moved from the west to the east, and when they are granted leave we know that it is impossible for ninety-nine out of a hundred of them to pay their fares back home if they live any distance away.

If we cannot get free transportation for the soldiers, some form of pool rate should be worked out so that soldiers who have been moved from one end of Canada to the other should not be penalized. In addition to a special rate, some form of pool rate should be worked out. It is not the soldier's fault that he is moved from Calgary to Petawawa. Contrast the soldier in that position with one whose unit is stationed just outside the city only a few miles from his home and who can get home for a few cents. It is a very unfair situation. If we cannot get free transportation, there should be a special rate, and on top of that a pool rate.

So far as embarkation leave is concerned, there should be free transportation on embarkation leave. Some soldiers have told me that it would not help very much because often they have only three hours' notice before they embark and leave is not granted, but in some instances it is granted, and in such instances free transportation should be provided.

The minister has stated that he is not sure where the demand comes from. The demand has been caused by public opinion. It is not coming from just any one section; public opinion throughout Canada is absolutely behind the demand for free transportation, and I think it is the least we can do for a man who has enlisted and is prepared to sacrifice his life for his country. He should at least be given an opportunity to go home and see his wife and family, but under present conditions that is not possible in many instances unless the soldier is prepared to commit a crime. If he has not the money to pay his fare home, he will take the train to some nearby point and then go on by freight, which is listed as a crime. In this way we are breeding crime within the army and causing discontent. So I hope that the government will seriously consider ways and means by which special rates can be given so that the soldier can travel at least as cheaply as the civilian. As it is now, we find that civilians get special fares while the soldier has to pay a higher rate. That is absolutely unjust. Finally, I suggest that the government should give consideration to establishing a pool rate.

Mr. RALSTON: I want to say in reply to the hon. member for Weyburn (Mr. Douglas) and the hon. member for Acadia (Mr. Quelch), who were good enough to give me their ideas of what gave rise to this demand at this time, that artillery men came to Petawawa in the last war just as they do now, and Camp Borden was going in the last war just as it is now. At Camp Borden now you will find, not specialists so much, but whole units as in the last war. I do not think there is much difference, and if there is any difference it is that the camps are more spread around now than in the last war.

Mr. QUELCH: The soldiers are held in Canada for a longer period than during the last war.

Mr. RALSTON: I am thinking of my own personal experience, and my hon. friend is no doubt thinking of his, but I would have thought that the soldiers spend about as long here now as they did in the last war.

With regard to the units on the coasts, to which the hon. member for Weyburn referred, we are trying to meet that situation by moving a whole unit back for relief, so as to give them each a turn. That is regarded as a line duty. The same is true of the units in Newfoundland and Iceland. As a matter of fact, Iceland was one of the matters I discussed with the war office when I was in England a short time ago.

I would say to the hon. member for Acadia that I have already told the hon. member for Souris (Mr. Ross) that I will look into this matter to see if there is any ground for reopening the situation with the railways. That is the best I can give the committee to-night, but I have taken note of everything that has been said with regard to assisted rates and special rates, to see if any better arrangement can be made with the railways in that respect.

Mr. FRASER (Peterborough West): One of the reasons why free transportation is asked this time is that we have more automobiles in the country than we had in the last war. People then did not see the soldiers travelling back and forth as much as they do in this war. During the past week I have talked to soldiers, and they claim that at Debert you cannot get leave unless you can show the paymaster that you have $30, for instance, if you are coming to Peterborough. That would cover the ticket amounting to $24.60, and on top of that enough to pay for meals on the train. If the soldier is going to the coast, I believe he has to show $100 because the fare is about $80. I mentioned this away back in June. I believe I was the first to mention it.

[Mr. Quelch.]

Mr. RALSTON: I cannot believe that anybody mentioned it before the hon. member for Broadview.

Mr. FRASER (Peterborough West): I was second, then. At that time the reason why free transportation was asked was that a number of soldiers' wives had not received any pay or allowance. The men had sent them money from their own pay in order to carry on, and the men had to walk. The other night I picked a man up in the car and drove him home. He had taken the train as far as Kingston, and he said he would not have been able to get that far unless he had been lucky at poker. I think that is the situation with a number of them.

Mr. RALSTON: Where did he come from?

Mr. FRASER (Peterborough West): He came from Debert.

Mr. MacNICOL: I wanted to ask one or two questions of the Minister of Labour; I know he can answer them promptly. I could not understand what he said this afternoon in reply to my question as to how students can be taken on at the technical schools in connection with the government's plan of training young men for work in munitions plants.

Mr. McLARTY: The hon. member means, how they get admission to the schools?

Mr. MacNICOL: Yes.

Mr. McLARTY: As the hon. member understands, that is a matter directed by the provinces. My understanding is that to a large extent admission is arranged directly with the particular school itself by the applicant. I assume that in some instances the applicant could be placed by application to the provincial director, but generally, no doubt, the application would be direct to the training school.

Mr. MacNICOL: Quite a number of young men have come to me from time to time and have told me that they had to go to the department of labour in the legislative building.

Mr. McLARTY: Yes. In some provinces that would be true.

Mr. MacNICOL: They came back with the story—I have no way of proving it; it may not be worth proving, anyway—that they had to get a letter from somebody, and when they told me the name of the man they had to get the letter from, I knew it was no use for me to do anything in the matter. Whether what they said is a fact, I do not know. I could not pin it down. I hope that is not the situation.

Mr. McLARTY: I can assure the hon. member for Davenport that if he can give me evidence of any practice of that kind, it will, so far as I can direct it, be discontinued at once. I did not believe that any preference of that kind was being shown, and I hope that it is not true; but if it is, we will see that it is discontinued.

Mr. MacNICOL: The young man came back to me with this statement after being interviewed at the parliament buildings. They may have turned him down because he was not a satisfactory candidate for admission to the school, and that may have been the excuse which they gave me. I have heard the same thing in connection with the Galt school. There may not be a word of truth in it. The hon. member for Waterloo South, who, however, is not here, would probably know more than anybody else about that.

Mr. McLARTY: The hon. member for Davenport knows that the federal government does not direct the trainee to a particular school.

Mr. MacNICOL: I know that, but I was just reporting what has come to me. I am not prepared to say whether it is true, nor am I pursuing the matter any further.

One other matter. A young man goes, let us say, to the central technical school at Toronto, where, if he is going to work in a munitions plant, he will probably be given some instruction in the operation of a shaper, a drill, a planer, a lathe, or all of them. I assume he receives a limited knowledge in all of them, because the school is equipped with these various machines, and has some excellent teachers. How long is the student kept at the technical school, and is he paid while in attendance?

Mr. McLARTY: Yes, Mr. Chairman. I have some information on the matter of payment. The average course of training is, I believe, three months, although it varies under some circumstances. As the hon. member for Vancouver East said this afternoon, you cannot turn out a skilled mechanic in three months, but you can train him to some extent in the use of machines. My hon. friend mentioned, for instance, the Galt school, with which I am more familiar than I am with some of the others, because I have been through it a number of times. We try to keep definitely in contact with employers who require labour in war industries, and we endeavour also to turn out trainees in the particular course which is related to the work for which they are required. I do not think it would be fair to say that each trainee goes through the same course. Certainly that is not the situation at Galt. Some men may go to a firm at Brantford; some are required, let us say, for the Massey-Harris company; the training they receive is largely designed for the particular work which they will be called upon to perform after the course is given.

In connection with the amounts paid to trainees, the weekly allowances to be paid by the dominion to trainees in industrial training centres and preemployment schools are as follows: Single trainees living at home shall not receive any allowance except (*a*) where they have given up employment to attend a class, or (*b*) where there is a financial need. In such instances the maximum weekly allowance shall be $3.

Mr. MacNICOL: Three dollars a week?

Mr. McLARTY: Three dollars a week, yes. Single trainees living away from home shall receive a maximum weekly allowance of $7, except in those areas in which board and lodging cannot be obtained for that amount, when the maximum weekly allowance shall be $9. Trainees who are heads of families shall receive $12 a week. That is the provision in connection with those in the training classes.

Not to divert from the subject at all; the hon. member for Vancouver East asked a question—

Mr. MacNICOL: Will the minister let me finish my one or two questions? During the afternoon the minister said that many more young men are offering themselves for these various schools than there are facilities for training them.

Mr. McLARTY: I would say that was the present condition.

Mr. MacNICOL: I have been wondering whether any consideration has been given to training young men in the plants themselves. I have visited many plants, and I have in mind one very large one which is now being erected. Instead of sending a young man to the technical school at Toronto, or to any other technical school, where no place can be found for him, is there a plan whereby he can be sent direct to the plant, and the company advised that "this young man is now going to train, and we will allow the same amount for him as a trainee as he would receive in a technical school if he were attending there"?

Mr. McLARTY: No, Mr. Chairman; there is no provision made for any allowance for trainees in the plant schools. The term "plant schools" is perhaps a little vague. There is no question that industry is now training at a substantial rate. I gave a figure this afternoon but pointed out that it was a little

difficult to get a definite figure because of the different categories of the training in the various plants. For instance, one plant where I know they are training over five hundred said "we are not training any in a plant school", because they are training them in their factory. Another firm will send a list of every person in their employ as trainees even though some were there only seven days. That branch of the training plan is under the direction of Mr. Crawford, a former superintendent of technical education. He has set up a staff in the various provinces; he has visited all the industries where training would likely be carried on throughout Canada and is endeavouring to correlate the work. He advises me that the training is going on at a higher rate than estimated by the committee when it made its estimate in November last.

Mr. MacNICOL: They do not receive anything?

Mr. McLARTY: No; nothing is paid by the government to any trainee in an industrial plant.

Mr. MacNICOL: When a young man is graduated from a technical school after three months training, is there some provision or plan whereby he graduates into a plant? I ask because I have visited quite a number of plants in the last few week-ends. I go to the employment office and sit in with the employment agent—I know many of them, have been associated with many of them up and down the years—and I listen to them interviewing applicants. A man will come to the employment office; he will be asked to sit down; his whole record is carefully investigated, his age, schooling, experience, and all the time the employment agent is carefully looking him over. They are careful about getting the most gentlemanly men they can; if a young fellow sits with his hat on, or if he is not courteous in his replies, usually he is not taken on. What I want to mention, however, is that these men are of all ages, and they go directly to the employment office of the plant. What chance has a young fellow who has served three months in technical school to compete with the type of man to whom I am referring who goes to the employment office at the plant? Has the government set up any machinery whereby the young man whom they have paid $3 or $7 a week, as the case may be, and thus have invested that in his training, is taken into a plant after serving the three months in the technical school?

Mr. McLARTY: In the large majority of cases the way they would be taken on is that the plants are in direct contact with the schools, and vice versa the schools have contact with the plants—

Mr. MacNICOL: Does the government arrange that?

Mr. McLARTY: The government supervises and directs it through the provincial officers, and one of the functions of the directors is to make or to expand that contact. It would be more in that manner than through the employment offices that placements are made. As was mentioned this afternoon, when we have the employment offices operating under the Unemployment Insurance Act I believe they can serve a useful purpose in performing just the function that the hon. member has mentioned.

Mr. MacNICOL: I was coming to that. That is the British system, and it works satisfactorily. I have investigated many of those offices. In Great Britain, all applicants for employment go to the government employment offices. I was going to ask the minister whether that is going to be part of the programme in our set-up later on. In England, the employers are almost, if not actually, compelled to apply to the government employment offices for their help.

Now a final question, which perhaps I should address to the Minister of National Defence, regarding troops overseas, or wherever located, perhaps in Canada too; they probably have a good deal of off-time. Is there any type of school or educational facilities in the camps in England or Canada whereby the soldiers —should I address this question to the Minister of National Defence?

Mr. McLARTY: The Department of Labour has not instituted any such schools.

Mr. MacNICOL: Then I will ask the Minister of National Defence. Is there any plan under that department whereby soldiers have an opportunity of being trained in their off hours along the lines of business or any kind of technical or mechanical training?

Mr. RALSTON: That is done not by the Department of National Defence itself, but by the auxiliary service organizations, of which the Canadian Legion is one. The legion conducts educational courses I think in almost anything within reason that a man would wish, something of the type of correspondence courses, and men are given an opportunity in the camps to go to classes. That is the only educational work which is carried on in off hours.

Mr. STIRLING: Who is the head of that now?

Mr. RALSTON: Doctor Chateaugard on the other side, and Colonel Bovey in Canada. The department also has the training school for tradesmen which is being established at Hamilton.

The hon. member for St. Paul's this afternoon read a newspaper report indicating that there were complaints by manufacturers, particularly aircraft manufacturers, with regard to the four months' training interfering with their work. That was mentioned as one of the highlights of the visit which had been paid to the three aircraft industries, Canadian Vickers, Fairchilds and Noorduyn. I said to my hon. friend that if there was any case where a key man in an essential war industry had not had his training postponed, I should like to hear about it, because I want to bring it to the attention of my colleague the Minister of National War Services. I did bring the matter to the attention of General LaFleche, the deputy minister, in the absence of the minister, and I should like to put on record letters from two of these concerns. I have not as yet received word from the third. I asked General LaFleche if there had been complaints from these industries, and he said he would look up the records. I told him of the specific instances that had been given me with regard to the Noorduyn company, and he is following that up.

Let me read first a letter from Mr. Decary, divisional registrar at Montreal where Canadian Vickers are located. Apparently Mr. Franklin of Canadian Vickers had written to H. B. Chase, labour relations officer of the Department of Munitions and Supply, complaining that seven men had been taken from the Vickers aircraft plant and sent to camp. This is the letter from Mr. Decary, with whom General LaFleche communicated after he had heard about the complaint from Mr. Chase:

Montreal, Quebec, March 18, 1941.

Major General L. R. LaFleche,
Associate Deputy Minister,
Department of National War Services,
Ottawa, Ontario.

Re: Canadian Vickers Limited, Aircraft Division, National Labour Supply Council

Dear Sir:

1. With reference to your letter of March 17, 1941, enclosing copy of a letter dated the 14th of March, 1941, addressed to you by Mr. H. Mitchell, secretary to Mr. H. B. Chase, director general of labour relations, Department of Munitions and Supply and a letter addressed to Mr. H. B. Chase by Canadian Vickers Limited, I beg to report as follows.

This is the registrar reporting with regard to complaints which were received from Canadian Vickers.

2. Out of the seven (7) men mentioned in Mr. Franklin's letter to Mr. H. B. Chase, the following have received notices military training:

E 60382—Gibbs, Kenneth, training centre No. 41

E 60146—Patenaude, Gerard, training centre No. 41

The five (5) other men have not yet been sent notices military training, because I had sufficient number of men to fill the quotas without calling them.

Of the seven men named, these are the two who the registrar says were called.

3. Out of the two men mentioned in the above quoted letter, employed by the United Shoe Machinery of Canada—

Here I pause to say that the United Shoe Machinery Company was a sub-contractor of Canadian Vickers, and therefore Canadian Vickers were interested in men called up for training who were employed by the United Shoe Machinery Company.

—the following has received notice of military training:

E 61781—Cicchillitti, Nicholas Feliz, training centre No. 44. The other E 60283, Clement, Marcel, being unfit.

So we have three men, not seven, who the registrar says have been called: first, Gibbs; second, Patenaude, and third, Cicchillitti. Then he goes on:

4. I have communicated, by telephone, with the chairman of the board, who is out of town for the week, informing him of your letter also giving him the information above quoted. He told me that the men ordered to report for military training could not be postponed.

5. I then communicated, by telephone, with Mr. D. G. Campbell, superintendent of personnel, Canadian Vickers Company, Limited, and advised him that only Patenaude and Cicchillitti were being ordered to report for military training, and also Gibbs.

6. I inquired from Mr. Campbell whether the fact that these three (3) men were going to go to military training during the period opening the 20th of March, 1941, would hamper war production and I was informed that he was quite satisfied it would not.

7. During the conversation with Mr. Campbell I was told that the absence of Mr. Patenaude would cause them inconvenience, but that he would try and let another man go if Patenaude could be released.

That is, he would furnish another man in place of Patenaude.

I told him that could be arranged. A few minutes later Mr. Campbell called me back informing me that Patenaude could be dispensed with now, as another man had been found to replace him.

Very truly yours,

Pierre Decary,
Divisional Registrar,
Administrative Division "E"

I think that disposes of the Vickers company, which had three men called. The chairman felt that their training could not

be postponed; a call was put through to Mr. Campbell, superintendent of personnel, who was asked whether their absence would hamper war production and who replied that he was quite satisfied that it would not. Then he said the absence of Patenaude would cause them inconvenience, and he was told that perhaps he could get some other man to train instead of Patenaude, but a few minutes later he called back to say that the services of Patenaude could be dispensed with because another man had been found to take his place.

Another firm mentioned was the Fairchild company. General LaFleche, to whom I spoke this evening, sends me this memorandum:

> Following your telephone call at about 8.15 to-night, I proceeded to my office and there found the attached copy of a letter dated March 18th, 1941, addressed to me by Mr. Pierre Decary, divisional registrar "E", National War Services, 405 Transportation Building, Montreal, on the subject:
>
> Canadian Vickers Limited,
> Aircraft Division,
> National Labour Supply Council.
>
> I spoke to Mr. H. M. Pasmore, president, Fairchild Aircraft Limited, who told me that Mr. Bell—

That is Mr. Ralph Bell, director of aircraft production.

> —had inquired of him this afternoon. The telegraph company has just 'phoned in the following telegram from Mr. Pasmore:
>
> "I understand reports are circulating to effect that calling out of our employees for military training programme has interfered with our production. We wish to report your department has given every satisfaction in regard calling out of these employees for training in the past and for period beginning twentieth instant and that we have no complaints whatsoever."
>
> I tried to reach Mr. Noorduyn but he was out and not expected home until after eleven o'clock to-night. I asked his office to request Mr. Noorduyn to phone me to-morrow morning.

I know the committee will be glad to learn, as I am, that in at least two of the three cases mentioned this afternoon by the hon. member for St. Paul's, the companies seem to be completely satisfied that war production is not being interfered with.

Mr. STIRLING: I have been awaiting an opportunity to ask the Minister of National Defence a question with regard to the equipment of units training in Canada. When the minister dealt with the formation of the armoured division he said he was not going to give information with regard to their equipment. That is a matter the minister must decide. If he sees fit not to give that information, we certainly will not press for it. I think, however, it would be a good thing if the minister could see fit to give us information with regard to the equipment of units training in Canada.

The other day the minister gave the house some advice; he said that hon. members frequently were in a position to give information to the public and help the government along. With that I entirely agree, but hon. members must have that information in order to be able to impart it. I do not think there is any subject on which I am asked questions more often than on this very matter of equipment. The reason for that is, I think, that among one's constituents there are many who have sons, brothers or acquaintances training with units in different parts of Canada, and in their communications these men pass on to our constituents statements with regard to the equipment available.

There is no doubt that one reason for originally deciding on the thirty-day training was a shortage at the time of the necessary equipment. There is little doubt in my mind that to some extent the equipment situation has improved, but here we have infantry units and specialized units of many kinds. For instance, there are four or five motorcycle regiments training in Canada. I do not know whether they have the necessary motor cycles for their training, but certainly a technical unit of that description cannot get very far without motorcycles and the necessary facilities for keeping them in operation. In addition, there are signallers, anti-tank regiments, anti-aircraft companies and so on. These are all technical units, and without equipment they cannot get on with their training.

Would the minister see fit to give us some information in this regard? He will remember quite well that we of the opposition did not feel satisfied last year in respect of the amount of information forthcoming with regard to Bren guns. It did not seem to me then, and certainly it does not seem to me now, that it is reasonable to withhold information with regard to the output of Bren guns. Certainly infantry units cannot get on with this most necessary part of their training if they have not Bren guns in numbers greater than simply those necessary to look at, as unfortunately was the situation some time ago. We should like to be informed that it has improved. As yet the minister has not explained the reason for his extraordinary omission with regard to the entire change in the John Inglis contract when he spoke on November 15. He spoke two weeks after that change had taken place, and my recollection is that the space occupied in *Hansard* in referring to the Bren gun was only about three-quarters of an inch. He dismissed it very lightly. It was not until the news more or less accidentally tumbled out that the

public in Canada knew anything about the complete change in the John Inglis company contract.

The minister will no doubt explain to us why in that speech of November 15 when he, as Minister of National Defence was describing the progress his department was making in the war effort, he did not refer to that. If, however, the minister chooses to take the line that information with regard to this equipment in some detail would be of assistance to the enemy, again we must content ourselves, and remembering that the responsibility is on the government we must make what answer we may to the constituents who ask us for information.

Mr. RALSTON: At this hour, and I was going to say after a long day, I have not the information with me. As a matter of fact, I should like to go over with the staff the matter of equipment, just in order to see what information the staff feel I should give the committee. I assure my hon. friend I will give the committee all I can. According to the newspapers I have been erring on the wrong side, in giving rather too much information.

Mr. HANSON (York-Sunbury): I had not heard that.

Mr. RALSTON: That is with regard to certain matters which have been spoken about. It is suggested that there has been an error on the part of the government in giving too much information. But if my hon. friend will agree that it might stand, I shall have an opportunity to-morrow morning to get a statement and to present it to my hon. friend.

Let me say with regard to the Bren gun that I really was surprised at my hon. friend's reference thereto. With respect to the new contract for the Bren gun, I do not think it was signed when I spoke on November 15, and if it had been I would not have mentioned it. The question was as to the rate of supply, as to how fast we were getting the Bren gun. It was not my job—the matter of making the contract with the John Inglis company.

Mr. STIRLING: But the information, when it did come out, gave the public to understand that on October 31 the change was made. I think October 31 was the date of the order in council. I do not have it before me.

Mr. MACKENZIE (Vancouver Centre): November 29.

Mr. STIRLING: It was most decidedly in the press which reached me in western Canada that the change dated from October 31.

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

Mr. STIRLING: And the minister was speaking in this house—

Mr. RALSTON: What change was there that I would be giving with regard to the rate of delivery of Bren guns? What does my hon. friend mean?

Mr. STIRLING: I should say the Minister of National Defence would describe to the house such change in the John Inglis company's contract that considerably increased any production which would be forthcoming from then on.

Mr. RALSTON: The increase in production was, as I understand it, very largely an increase in production on account of British orders.

Mr. STIRLING: Under the new regime, the new contract, from what the Minister of Munitions and Supply tells us there is a possibility of turning out tens of thousands of guns.

Mr. RALSTON: Tens of thousands of guns in a long time. But I was dealing with the deliveries. I had given my hon. friend the number up to the end of September. This is what I say at page 149 of *Hansard*:

> Regarding Bren guns, I have given my hon. friend the number up to the end of September. I am not giving the number delivered each week, but it is a figure which I must say is most satisfactory having regard to what was planned on when production started at the plant. These weekly deliveries are increasing steadily and by the end of the first year of production we expect to have three times as many guns delivered as were called for by the contract.

Is there anything in the world which calls upon me to tell the house that my colleague is negotiating a new contract with the John Inglis company in order to reduce the cost of them? The production which was being increased was with regard not only to the Bren gun, but to other items. The Browning machine gun was one which had not been previously manufactured there at all. I plead guilty to anything for which I am to blame, but I do not take the responsibility for this. I am sorry if my hon. friend feels I should.

With regard to the matter of equipment, I shall be pleased to have a statement prepared, if the matter may stand over.

Mr. HANSON (York-Sunbury): I do not wish to detain the committee at all, but it does seem to me there was a lack of frankness on the part of the administration with respect to the new set-up of the John Inglis company.

Mr. RALSTON: I wish my hon. friend had brought up the matter when my colleague the Minister of Munitions and Supply was here, because he made the statement about it.

Mr. HANSON (York-Sunbury): I know he did. He told the house how it came out, first of all by an error on the part of his secretary, which I think was not quite cricket, and, second, through the inquisitiveness, if I may so describe it, of a newspaper. I do not think the country feels the government was quite candid with respect to this whole Bren gun situation. The new contract was made while the house was still in session, and we were not apprised of what was going on. I do not think that was candid. I am not, however, going to stir up that old sore now. It is not worth while.

Mr. RALSTON: I must take issue with my hon. friend about the matter of frankness.

Mr. HANSON (York-Sunbury): I find the Minister of National Defence never admits anything, and the Minister of National Defence for Air is much more candid. He tells us his difficulties, and we forgive him.

Mr. RALSTON: Yes, yes.

Mr. HANSON (York-Sunbury): And he gets away with it.

Mr. RALSTON: But at the same time, I do not propose to plead guilty to this.

Mr. HANSON (York-Sunbury): All right.

Mr. ADAMSON: With respect to the training of specialists and tradesmen in the vocational schools, what steps are taken? I understand the vocational school in Toronto is now being used by the army. I do not believe that was brought out in the minister's statement.

I believe that in the long run he would find it in the interests of economy to get the railways to cooperate in some way in connection with the matter of troops going on leave. A great many suggestions have been made, and it is my belief that over a period of years the government would find it an economy.

One further point. Fire underwriters have said that the fire protection at Camp Borden is a model for all other military camps in Canada. I suggest that hon. members having camps in their districts should see the methods by which the huts at Camp Borden are protected from fire. There is a stand pipe in each hut, and a permanent hose connection. The underwriters' association have reported favourably on that method of fire protection.

Mr. RALSTON: I understand my hon. friend is referring to the trades school being set up in Hamilton.

Mr. ADAMSON: And in Toronto.

Mr. RALSTON: We are providing for the training of about 2,000 men. There will be a normal three months' course, and for certain trades that course will be lengthened, depending upon the degree of specialization required.

Mr. ADAMSON: For the ordnance corps.

Mr. RALSTON: Yes, for the ordnance corps particularly, and for the army service corps.

Mr. ADAMSON: What are the methods of recruiting for that course?

Mr. RALSTON: We are not recruiting for the course. Men are enlisted, and are then sent for training.

Mr. HANSON (York-Sunbury): They are selected.

Mr. RALSTON: We are not recruiting for the course. The men are recruiting into the army, and then taken there for training in their special trades.

Mr. GREEN: Did the Minister of Labour obtain figures showing the number of men and women who have taken or are now taking industrial training, dividing the information into the four classes of priority? Perhaps the minister could also tell us what arrangements have been made for training men in shipbuilding. Then the Minister of National Defence for Naval Services might tell us whether the government has in contemplation the training of merchant seamen. The Minister of Munitions and Supply announced the other day that Canada was to build her own merchant ships. Many losses have been suffered by the British merchant marine, and it may be only a matter of time until merchant seamen may be required from Canada.

Mr. McLARTY: We are doing some training of those who will be absorbed into the industry, but the industry itself is doing most of the necessary training and upgrading of its own employees. While we give basic training in the use of machines used in shipbuilding, the real training can be done only in the shipbuilding yards. I shall give the figures asked by my hon. friend as far as I have been able to obtain them, and there will be an opportunity later on to give them in a more complete form. The total number in the war emergency and youth training plans at the end of February was 11,423. Of that number, those in the industrial classes totalled 6,351.

Mr. BLACK (Cumberland): Is that the number in training or those who have been trained?

Mr. McLARTY: The number in training on the last day of February. The hon. member for Vancouver South referred to the number of veterans of the last war and those who had been discharged in this war who were in training. The number in the industrial classes was 436. Perhaps I could give an indication of their ages, as follows:

16 to 19 years	18
20 to 29 years	76
30 to 39 years	42
40 to 49 years	235
Over 50 years	65

According to the ages they would seem to be practically all veterans of the last war.

Mr. GREEN: How about those in the second class, civilians over forty?

Mr. McLARTY: I have not the breakdown of civilians over forty. I have the figures of those in the war industrial classes only, as follows:

16 to 29 years—	
Male	1,535
Female	121
20 to 29 years—	
Male	1,936
Female	94
30 to 39 years—	
Male	579
Female	13
40 to 49 years—	
Male	339
Female	4
50 and over—	
Male	150
Female	13

Mr. GREEN: Perhaps the Minister of National Defence for Naval Affairs could answer my question with regard to the training of men for merchant ships?

Mr. MACDONALD (Kingston City): This matter really does not come under the Department of National Defence for Naval Services; it belongs rather to the Department of Transport. I do not know of any plans having been made by the government for the training of men for merchant ships. The suggestion has been made that some attention should be given to the formation of manning pools in various parts of the country, so that merchant seamen may be allotted to those ships which may be short of crews.

Mr. BLACK (Cumberland): Is there any restriction on the use of wooden ships with diesel engines? This is a matter of great concern to Nova Scotia. Many of these ships can travel just as fast as steam transports.

Mr. MACDONALD (Kingston City): I do not know that there is any restriction in the formal sense, but as far as convoy work is concerned I do not think anyone would think of using ships of wooden ship size. I doubt if anyone would think of a ship of less than 6,000, 7,000 or 10,000 tons, and with those sizes you are out of the wooden ship class. The opinion of naval men and of those engaged in merchant shipping is that for convoy work you cannot have a great number of small ships because they are as much trouble as a large ship.

Mr. BLACK (Cumberland): The controlling factor would be speed rather than size, would it not?

Mr. MACDONALD (Kingston City): They are slow ships, generally speaking.

Mr. GILLIS: I should like to direct a question to the Minister of Mines and Resources (Mr. Crerar). I notice that there is an item of $147,000 under this department to provide for the detention of alien seamen who refuse to perform their regular duties in Canada. There are rumours to the effect that in some parts of Canada the reason for this refusal is the fact that the government has offered them lower rates of wages than are paid to Canadian seamen. Last summer there were some 200 French seamen off four or five French boats which had been brought into Sydney from the banks and tied up in the harbour. These men were roaming around apparently without any supervision or means of livelihood, and most of them could not speak the language of the country. Was anything done for this particular group of men? In just what way is this $147,000 to be spent?

Mr. MACDONALD (Kingston City): When my hon. friend says that the government offered them a lower wage than they have been receiving, that must be incorrect because the government does not operate any transatlantic steamship service, and the pay of merchant seamen is entirely a matter between the seamen and the shipping company which employs them.

Mr. GILLIS: These men being detained by the government, the government would have something to say with respect to their employment.

Mr. MACDONALD (Kingston City): The government would have nothing to say with respect to their employment. They were detained, I presume, for some offence under the Canada Shipping Act. The government would have nothing to say as to the rate of wages because they are not government

employees in the same sense that men in the navy are. The government does not operate a merchant marine service across the Atlantic.

Mr. CRERAR: If I might add a word to what my colleague has said, sometimes we find sailors deserting their ship when it reaches Canadian shores, and then they come under our immigration laws. We insist that they shall return to their ship, and if they do not they are taken into custody. These sailors are of many nationalities, and a great majority of them cannot be deported to their own country. Consequently they are detained in custody in Canada until they express a willingness to return to their vocation as sailors. This sum of money is to cover the necessary expenses incidental thereto.

Mr. MacINNIS: Can the minister give us the number of these men, their nationality and the names of the ships they deserted?

Mr. CRERAR: I cannot give that information now, but I could probably get a fairly accurate summary prepared.

Mr. GILLIS: The sailors I spoke of did not desert their ships, but the ships were detained in Sydney harbour for some months. Perhaps they are still there. The 200 sailors were not detained but were moving about from place to place, living pretty much on the charity of anyone who would take them in.

Mr. KINLEY: Didn't they sell their fish in Sydney?

Mr. GILLIS: I do not know. My connection with them was to try to secure relief for them, and I was wondering how that group of men was taken care of. Their ships were detained and they were prohibited from taking employment anywhere.

Mr. ROSS (Souris): I should like to ask a question of the Minister of Trade and Commerce. The Ottawa *Journal* of March 17 last has an article headed "Teachers Offer to Take Census Free of Cost". It goes on to say:

> The Canadian Federation of Teachers volunteered to take the census free of cost to the government, it was announced on Saturday by Miss Eleanor Anderson, president.
>
> Miss Anderson was speaking at the annual meeting of the federation of women teachers for districts 12 and 13, in the Chateau Laurier. She said no reply to the offer of voluntary help had been received.
>
> She thought most of the appointments had already been made and were likely to be political. Miss Anderson told the *Journal* that 25,000 teachers in Ontario alone were available for census work and would like to undertake it in June.

My question is, does the government consider it an essential part of the war effort to take the census at this time? And has the government refused the offer of the Canadian Federation of Teachers, which would save the country approximately $3,000,000 at this time? We know that census commissioners have already been appointed on a patronage basis. Will the minister say on what basis the enumerators will be selected?

Mr. ILSLEY: Just before my colleague answers, I want to enter a protest, Mr. Chairman, against this discussion going any further than is necessary at this time. There is an item in the main estimates covering the census and the discussion on the census should take place on that item, not on this clause. If we get into a discussion on that subject now, there is nothing to prevent us from giving the rest of the week to it if some of the members continue the practice of the last few weeks. If my colleague desires to answer to oblige the hon. member, and then the matter is let go at that, I have no objection, but I certainly would object to the committee entering upon a discussion of the census under this clause.

Mr. ROSS (Souris): That will be quite satisfactory to me. To take the census would cost a lot of money, and I thought, therefore, my question had a bearing when we are now voting this large sum for the war.

Section agreed to.

Section 3 agreed to.

On section 4—Loans authorized.

Mr. HANSON (York-Sunbury): The minister has not in any way divided the amounts which may be raised by loan and by taxation. I know this is the exact wording that was used in last year's bill, but I think some restriction should be placed on the total amount that can be borrowed and on the amount to be raised by taxation. The whole $1,300,000,000 could be borrowed under this clause. It is too wide, and I want to enter a formal protest against that kind of procedure.

Mr. COLDWELL: Before the clause carries, I want to take this opportunity of doing something which was declared out of order when the resolution was before the house.

Mr. ILSLEY: Will the hon. gentleman do me the favour of giving me a few minutes before eleven o'clock to present supplementary estimates to the house?

Mr. COLDWELL: I shall be very glad to give way to the minister now because what I have to say would take until eleven o'clock.

Mr. ILSLEY: Thank you.

Section stands.

Progress reported.

FURTHER SUPPLEMENTARY ESTIMATES, 1940-41

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1941, was presented by Hon. J. L. Ilsley (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

On motion of Mr. Crerar, the house adjourned at 10.55 p.m.

Tuesday, March 25, 1941.

The house met at three o'clock.

WAR SAVINGS COMMITTEE

REVIEW OF OPERATIONS AND RESULTS, 1940-41

Hon. J. L. ILSLEY (Minister of Finance): I desire to lay on the table a letter from Mr. W. H. Somerville, joint national chairman of the war savings committee, to which is appended a review of the operations and results from May, 1940, to March, 1941.

This is the first report I have made to parliament on the results of the war savings drive conducted last month.

ST. LAWRENCE WATERWAY

INQUIRY AS TO CONSULTATION WITH PROVINCES BEFORE SIGNING OF AGREEMENT

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I should like to direct the following question to the Prime Minister. Did the Prime Minister or the government consult the government of each of the nine provinces to ascertain its views with respect to the signing of the treaty between the United States and Canada in connection with the St. Lawrence seaway power project?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The answer is in the negative.

COAL

REPORTED INCREASE IN PRICES OF CERTAIN GRADES IN NOVA SCOTIA

On the orders of the day:

Mr. GORDON B. ISNOR (Halifax): I should like to direct a question to the Minister of Labour, as the minister having jurisdiction over the war-time prices and trade board. Is he aware that while prices of coal from Inverness, Bras d'Or, Indian Cove, Drummond and other independent mines have not been altered, Halifax prices of all soft coals produced by the Dominion Coal company and subsidiaries have been increased by 25 cents per ton to Halifax consumers? This being so, what action if any does the minister propose to take in the matter?

Hon. N. A. McLARTY (Minister of Labour): The hon. member was kind enough to give me notice of his intention to ask this question, and a few moments ago I obtained the information in connection with it.

I am not in a position to deal with the several mines referred to in his question, the respective coal operators and the variation of prices. But I believe the answer would be this. A little time ago a conciliation board granted wage increases amounting to a very substantial sum to the Dominion Coal company. I believe that now the operators are suggesting a proposal under which there will be some increase in the prices of certain grades of coal. This matter at present is receiving the consideration of the fuel administrator and the war-time prices and trade board, to determine whether such increases are justified.

YOUNG COMMUNIST LEAGUE

SUBVERSIVE MATERIAL ALLEGED TO HAVE BEEN MAILED TO UNIVERSITY STUDENTS

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I should like to direct the attention of the Minister of Justice to a circular letter entitled "Student Beacon" issued by the Toronto district young communist league, which is being mailed to university students and which contains subversive material intended to interfere with our war effort. Have the Royal Canadian Mounted Police been made aware of the activities of this young communist league and, if so, what means have been taken to suppress it?

Right Hon. ERNEST LAPOINTE (Minister of Justice): I will give my hon. friend an answer to-morrow.

ARMY CANTEENS

INQUIRY AS TO REPORT OF COMMITTEE REVIEWING REGULATIONS

On the orders of the day:

Mr. F. D. SHAW (Red Deer): Yesterday the Minister of National Defence stated that a committee is at present engaged in inquiring into the regulations governing the operation of army canteens. I believe he stated

also that he would make inquiries as to the date when this report might be expected and made available. In view of this I would ask the minister three questions:

1. Has the minister any further information as to when the report may be expected?

2. Has this committee authority to effect changes in the regulations as they at present exist?

3. When the report is finally tabled will the regulations, as they are at present or as amended, be tabled together with the report?

Hon. J. L. RALSTON (Minister of National Defence): As to the first question I must confess to my hon. friend and the house that I have not had an opportunity to ascertain what progress has been made. It will be necessary to communicate with Mr. Macdonnell, at Toronto, and the matter slipped my mind. With regard to tabling the report, of course the report will be received by the department, where it will be considered and the disposition to be made of it will be decided. My hon. friend will understand that the committee has power to recommend but not to make changes in the regulations until the matter has been considered by the government.

Mr. SHAW: I believe the minister expected that I should make a decision with regard to the first part of the question I placed on the order paper.

Mr. RALSTON: As to the present regulations. I asked my hon. friend to consider whether he desired the tabling of those regulations. I take it he does desire that the present regulations be tabled, and I shall see that they are tabled to-morrow.

WAR APPROPRIATION BILL

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

The house resumed from Monday, March 24, consideration in committee of Bill No. 19, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Fournier (Hull) in the chair.

On section 4—Loans authorized.

Mr. COLDWELL: Mr. Chairman, when the resolution foreshadowing this measure was before the house last month we attempted to amend it so as to secure consideration for a compulsory non-interest-bearing loan, and for the acquisition by the government of the entire banking system of Canada, so that it might become during the war and afterwards an instrument of national policy.

The national ownership and control of the financial system has always been a fundamental policy in our proposals and in our programme. The amendment we made then was ruled out of order, and Mr. Speaker was good enough to indicate that at some future stage such a resolution might be introduced. This I believe is the stage at which an amendment to the measure is in order. I believe an amendment to this section of the bill would be proper.

To-day we have before us a bill for the raising of $1,300,000,000 for various purposes, and in several ways, in connection with the war. Had we the opportunity now we would move to amend this section to include the acquisition of the chartered banks. But I understand that would not now be in order, because it would involve a further expenditure of public money and, according to the rules, private members may not move for such expenditure.

We must therefore confine ourselves to the amendment of the section to provide that such part of the appropriation as may be raised by way of loan shall be raised without interest, and levied according to ability to pay.

I therefore move, seconded by the hon. member for Vancouver East (Mr. MacInnis):

That paragraph 1 of section 4 be amended by striking out all the words after "raise" in line sixteen, and substituting the following therefor:

"under the provisions of the Consolidated Revenue and Audit Act, 1931, by way of compulsory interest-free loans to be levied according to ability to subscribe, such sum or sums of money, not exceeding in the whole the sum of one billion three hundred million dollars as may be required for the purposes of this act."

and that paragraph 2 of section 4 be amended by the deletion in line twenty-six, of the words "and the interest thereon."

The amended section would then read:

(1) The governor in council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by parliament, by any act heretofore passed, raise under the provisions of the Consolidated Revenue and Audit Act, 1931, by way of compulsory interest-free loans to be levied according to ability to subscribe, such sum or sums of money not exceeding in the whole the sum of one billion three hundred million dollars as may be required for the purposes of this act.

(2) The principal raised by way of loan under this act shall be a charge upon and payable out of the consolidated revenue fund.

This does not of course prevent the government from raising all or a substantial portion of this amount by taxation, or by the use of the Bank of Canada for any direct issue of credit or currency which may at any time at any given moment seem desirable and necessary. Like the original section, it limits

the amount that may be raised by loan or otherwise to $1,300,000,000. As the minister explained last Thursday at page 1880 of *Hansard,* the actual amount to be borrowed will be stated when the budget is introduced in the near future.

On the same day the minister expressed himself as being opposed to the principle now included in the proposed amendment. He went farther and said it was not the policy of the government to promote the sale of interest-free bonds on a voluntary basis, as we now have it, by advertising and the like. He made the extraordinary excuse—I thought it was extraordinary—that such a campaign would cause the conscientious, generous and self-sacrificing people to buy the interest-free bonds while the more prudent and selfish would refrain from doing so.

Our amendment meets this very objection, for it would place the prudent and the selfish upon the same basis as the imprudent and the unselfish. Indeed the proposal in our opinion is eminently fair and eminently just. Moreover, what is the object of borrowing money? Is it to finance the war, and for no other purpose? Obviously not, for if we fought wars with money, then the government could issue currency and credit for all our needs. But wars are fought with goods, not with money. It was this truth which Dorothy Thompson had in mind in an article from which I quoted some time ago, and in which she said:

> The allies had money, but failed to produce goods. The Germans had no money, but did produce them.

A few days ago I was taken to task by the hon. member for Calgary East (Mr. Ross) for quoting those words with approval. But they are true, and to quote them did not imply approval of the methods Hitler used to regiment and reduce the living standards of the German people, and thus to divert German resources almost exclusively to war production.

Money is not wealth; to think so is a delusion. All wealth is in goods, and no amount of money will suffice if we lack the goods and services which money may buy. This is obvious of course if we consider the position of a beleaguered city. It may have all the credit and all the currency it ever had, but if it lacks the materials of defence, food, munitions and so on, then the accumulation of currency and credit in that beleaguered city will be of no avail.

The real cost of this war must be paid for now in the sacrifice of the things we should like to have, because the raw material, the machines and labour are required for the production of war goods. Therefore to be realistic we must measure the material cost of this war, as of every other war, in things, not in billions of dollars. If we grasp this idea we shall see that no amount of money in our pockets will enable us to buy the luxuries which we must make it impossible to produce. However, in our profit economy the diversion of industry from peace-time requirements to war-time needs is admittedly a most difficult problem. Heavy taxation and the levying of gifts or of loans from large accumulations of wealth must be undertaken. Otherwise, to use the minister's words, the selfish and the prudent will invest their money in the wrong things and industry and labour will be diverted from our war effort, thus defeating the objectives of the conscientious, the generous and the unselfish members of our population.

Only to-day I came across an interesting illustration of what I mean. Reference was made recently in the *Financial Post* to two estates which had recently been probated in the province of Ontario. One estate totalled the enormous sum of $5,229,020. The main item was made up of stock in a mining company, of which the deceased had been the president, amounting to $4,565,000. Book debts and promissory notes totalled $540,931; life insurance, $112,182; real estate, $7,590 and personal effects, $3,317. Apparently there had been no subscription to any issue of government bonds. A week or two earlier the same paper published the details of the estate of one of the great industrialists of this same province, a man who had been the president of one of our great producing corporations. That estate totalled $942,858 made up of stocks in more than thirty companies totalling $670,996; insurance, $166,228; real estate $73,000; cash, $11,965; bonds and debentures, $1,467 and other assets, $19,202. The gentleman in question had purchased one $400 war saving certificate and he held one $1,000 five per cent, 1945, Dominion of Canada bond.

I bring these details to the attention of the committee in support of the argument which I am making as well as the argument the minister made for us the other evening. It is contended that any form of loan, whether interest-bearing or non-interest-bearing, merely defers the evil day when the loan will have to be repaid. That is true to a degree. But when we make an appeal in war-time we ask the people in effect, not only to lend money but to forgo the building of new non-essential homes and plants, to defer the purchase of new automobiles or expensive radios, and even to do without some necessities. Our plea is that this should be done on a fair and just basis so that the poor, unselfish and sometimes imprudent people will not have to deny

themselves necessary food. Compulsion should not be exerted only upon the wage earner, the salaried masses and incidentally the farmers whose incomes are to be lowered by restrictions upon the deliveries of grain, tobacco and other produce.

A compulsory non-interest-bearing loan, levied according to ability to pay, is obviously a means of securing something nearer equality of sacrifice. Make those who have a large stake in the outcome of this war because of the wealth and property which they control bear their fair share of the burden which the nation is being called upon to carry. There will be some who will say, "Why not a capital levy instead of a non-interest-bearing loan?" To my mind a capital levy should have been made after the last war in order to retire some of the money borrowed on the capital destroyed during the war. Perhaps that is the method we shall have to adopt in part when this war is over in order to retire a substantial portion of the debt we are now assuming.

The proposal which we now make is a constructive suggestion similar to that which was adopted in New Zealand. According to recent articles which appeared in the British press, the same thing is being considered by some people in the United Kingdom. If our war financing is undertaken realistically we shall be able to escape many of the difficulties which caused confusion after the last war. After all, if properly planned and used, the tremendous capital equipment we are now providing for our war effort ought to enrich us when this war ends. It is true that much that we shall have made during the war will be destroyed during its progress or made useless by peace. But we are learning now how to extract from the earth through man's skill and by proper organization much more than we ever extracted before. Thus if we have the sense to profit by this lesson we can enjoy more things than we have ever enjoyed before. In that sense we shall be actually richer as a nation.

War has taught us that the masses do not suffer poverty when there is work to do. It is unemployment which curses many thousands in our midst with poverty. War with its tremendous waste and demands actually ends or at least mitigates unemployment and through the provision of wages and salaries relieves some forms of poverty and distress. This is certainly a paradox, and it is an indictment of our present economic system. It is a problem which we must prepare now to solve when peace comes; for if we do not solve it we shall perish as we deserve to perish. It seems to me that now is the time to consider the implications of the post-war period. The amendment offers a logical solution to one part of our war financing problem.

We propose that Canada borrow now without interest and on a graduated plan, according to ability to pay, the purchasing power we desire to transfer now from peace to war, and which can and must be transferred again in the future from war needs to peace-time requirements. How that transfer shall be made eventually, and upon what kind of basis the loans now being made shall be repaid, the progress of the war and our post-war needs must determine.

One thing is certain. We must not allow this war effort to enrich the so-called prudent and the selfish. We must not, as we are doing, play into the hands of those who monopolize wealth and power in this country.

The amendment would do much to prevent us from falling into such a net in the future, and would bring about a measure of that equality of sacrifice of which so much has been said in this house and throughout the country. We ask men to fight; we ask men and women to labour; we ask all to sacrifice. Equally we should ask wealth to place itself now at the disposal of the nation, without interest and without profit. I believe that if something of this sort were done, it would do much to remove from the minds of many of our people the fear that when the war is ended the great masses of the people will not be any better off, indeed will be worse off, and that a few people in the Dominion of Canada will be infinitely richer in accumulated wealth than they were before the war broke out.

In my opinion we have not yet been able to obtain that enthusiasm for the cause in which we are involved that we ought to have obtained. If this is a war, as I believe it is, for the preservation of our democratic way of life, then it seems to me that the nation has the right to ask those who, through fortuitous circumstances as well as by their own endeavours, have been able to accumulate this nation's goods, to lend their wealth freely to the nation. I am not even suggesting that we ask them at this moment to give it, though later we may have to ask them to give some of their wealth. But certainly at this time we have a right to ask them to lend to this nation in her hour of need their wealth without interest and without profit. I am urging the government to accept this point of view and to allow this clause to be amended in order that the portion of this appropriation which is to be raised by loan may be raised by a graduated loan based on ability to

subscribe, and that the money shall be loaned without interest at least for the duration of the war.

Mr. TURGEON: May I ask the hon. member a question before he resumes his seat?

Mr. COLDWELL: Certainly.

Mr. TURGEON: The hon. member said to-day what he said when making a similar amendment some weeks ago, that the particular form of loan he proposes was adopted in New Zealand. My reading, which might not be complete, is to the effect that while New Zealand has passed general legislation which would permit the government to levy an enforced loan, interest-free, in the same manner as our mobilization act permits this government to do many things which have not yet been done, New Zealand as a matter of fact has not yet taken action in the matter of interest-free enforced loans. Would the hon. member tell the committee what action, if any, New Zealand has taken in that matter? I am asking for information.

Mr. COLDWELL: In the summer, I think it was, or in the fall, I quoted from the budget speech of the Minister of Finance of the Dominion of New Zealand, who made the definite statement that money would be raised in New Zealand this fiscal year by means of a non-interest-bearing loan. I have before me the Montreal *Standard* of March 8, 1941, which contains an article headed "New Zealanders Taxed for Social Experiments and on Top of That, War," in the course of which it is stated:

> The government (of New Zealand) expects to realize an additional $26,000,000 from 15,000 individuals and 3,000 corporate taxpayers through a compulsory war loan on which no interest will be paid for three years.

Mr. TURGEON: What was the amount?

Mr. COLDWELL: The amount stated in the Montreal *Standard* is $26,000,000. That sum does not quite agree with my recollection of the statement made by the Minister of Finance of New Zealand when he introduced his budget last June. As I recollect it, he stated then that New Zealand expected to raise in the neighbourhood of fifteen million pounds, which would be closer to $60,000,000, at current rates of exchange, than the sum mentioned in the Montreal *Standard*. I think it is clear, both from his budget speech and from the paragraph I have just quoted, that such a loan has actually been raised in the Dominion of New Zealand.

Mr. BLACKMORE: Before this amendment is voted upon I wish to make a remark or two. The last time the hon. member for Rosetown-Biggar (Mr. Coldwell) brought this amendment forward the Social Credit group supported it as the lesser of two evils. The present system of debt and taxation is a very grievous evil. Taxation, if it is persevered in as this government seems determined to persevere in it, will ultimately destroy the standards of living of the people of Canada. First it will decrease the production of the Canadian productive machine because it will heighten the cost of production; second, it will ultimately deplete the resources with which producers must produce, and, third, it will bring about a failing of markets both at home and abroad.

Furthermore, this system will develop grave dangers of inflation through irregularity of production. As matters now stand there is no way in which the governing power in Canada appears to be able to cause the kind of production it wants or to prevent or divert the very kind of production it does not want. The result is that we might have a dangerous scarcity of certain commodities in this country and a dangerous superabundance of other commodities. This is one of the conditions which will bring about inflation.

Let us bear in mind that inflation is a rise in prices which results from a shortage of goods. The policy which is being followed to-day of a general, blanket taxation as heavy as the people can possibly stand is aggravating the tendencies to inequality and irregularity and unbalance of production, and will continue to do so more and more. There is altogether too little appreciation of just what inflation is and what causes it and how it is to be overcome. As soon as there is a complete understanding of the matter on all sides, there will be no doubt of the accuracy of the remark which I have just made, that the present system of debt and taxation is leading to inflation.

Furthermore, the system which is now being followed may ultimately impair Canada's credit—perhaps irrecoverably. It is one thing to make wise-cracks about certain governments that have declared themselves unable to meet their commitments with respect to debt; it is entirely another thing to face facts and to realize that the government at Ottawa, if it continues to plunge this country headlong into debt, will ultimately arrive at the point at which it will no longer be able to meet its commitments and to maintain its rate of interest.

These points which I have mentioned indicate the inevitable tendency and danger and result

of borrowing and taxation. Altogether the policy is a dangerous one. There are so many who seem to assume that the way we are proceeding now is the sound way. There was a time when farmers believed that the only sound way of travelling was by horse and buggy or horse and wagon, and that the only sound way of harvesting their crops was with a sickle and by means of hand binding. To-day everyone has outgrown such antiquated notions. The very devices which used to be sound came, as a result of the development of certain forces in the world, to be unsound. The financial system which we have traditionally followed is becoming unsound because of the development of great forces on the earth.

I have said this much to indicate that the present system is a great danger. We thought as a Social Credit group that for the time being it was safer to cause people to subscribe to interest-free loans than it was to go forward indefinitely with the present system of borrowing and taxation.

But times have changed. Forced loans, which the hon. member for Rosetown-Biggar has advocated in his amendment, are a danger. It matters not whether New Zealand or any other country in the world has resorted to them; they are a danger. They would be more subversive of Canada's economic well-being than even the system which is now being followed.

In the first place, the surpluses of money which had accumulated and which were to be found when the amendment was last presented have now, I believe, been largely dissipated as a result of rigid taxation and aggressive government borrowing. In my opinion, what surpluses now remain are needed for productive enterprise in this country. Forced loans tend to discourage people. I find in my contacts with men and women from day to day that there is developing in Canada a very unfortunate attitude of pessimism and uncertainty and anxiety and discouragement, because people feel that there is simply no use in striving. This is the logical result of the taxation we now are using. It will be, more still, the result of forced loans.

Mr. DOUGLAS (Weyburn): The hon. member means that they will not work unless they get big profits.

Mr. BLACKMORE: I am not saying that they will not work unless they get big profits. But if a man works twelve or fourteen hours a day and then has all he worked for taken away from him, he will ask, what is the use, why not work four hours a day, the way the other fellow does, and have what you accumulate taken away from you?

[Mr. Blackmore.]

Mr. DOUGLAS (Weyburn): The soldiers seem to fight very hard for very little.

Mr. BLACKMORE: We will grant that the soldiers fight very hard for very little. But I do not think you will find farmers doing that, although they are loyal enough; I do not think you will find mine owners, oil producers, munition makers or clothing manufacturers spending their hours for nothing.

Mr. GILLIS: Mine owners don't work!

Mr. DOUGLAS (Weyburn): Mine owners do not dig coal; it is the mine workers who do that.

Mr. BLACKMORE: That may be so, but the mine workers will stop producing coal as soon as the mine owners stop.

Mr. DOUGLAS (Weyburn): They had better take over the coal mines, then.

Mr. BLACKMORE: There is another aspect of the forced loan to which I object. It is a step towards communism. I was a bit disgusted last evening, while the hon. member for North Battleford was giving what I regarded as a very fine speech, to hear four or five hon. members across the way come out with the word "communism." I wonder whether such people know what communism is.

An hon. MEMBER: What is communism?

Mr. BLACKMORE: I am not sure that I know; but this, I believe, is one of the concepts of it: that it stands for taking away from people what they have; it is based on state ownership. Now, if the state takes away from people the money they have toiled to earn and save, surely the state is making a step towards communism, unless I am entirely misinformed as to what communism is. In other words, we have just been hearing reasons advanced for a step towards communism; and no one used the word "communism" when the hon. member for Rosetown-Biggar was speaking! Yet when the hon. member for North Battleford was advocating better schools and further health measures and more of many things which every hon. member knows we ought to have, certain people were foolhardy enough to whisper "communism." I must say, Mr. Chairman, attitudes like that utterly confound me.

This really is a step towards communism. Whether the government or the hon. member for Rosetown-Biggar wishes to introduce communism, it is certainly, in my opinion, a move in that direction.

Moreover, it is a step towards totalitarianism, towards regimentation, towards cen-

tralization. Totalitarianism, regimentation, centralization are characteristics of the very foe we fight.

But, people will say, what are you going to do? Well, Mr. Chairman, that is just the question we should have begun to ask ourselves two years ago. If the system which we are using to-day is such that we face an inevitable break-down, as a result of which we are first advised and then urged to adopt measures which we all abhor, it should be evident that the system we are endeavouring to apply is at bottom fallacious, unsound.

The proposal for forced loans is a step towards reducing all to poverty instead of raising the people to prosperity. There seems to be an idea on the part of some people that some people are poor because other people are rich. I have never been impressed by the reasoning of those who hold so. We could take all the money and possessions away from the few who possess them and distribute them evenly among all the population and still have everybody poor. The solution certainly does not lie along that path, the path of reducing everybody to poverty. The solution lies in the direction of raising everybody to prosperity; and in a country like Canada that is unquestionably possible. Those who maintain that it is not possible have simply not thought far enough through the problem.

It is plain common sense that in a country like Canada, with such an abundance of resources, a country so varied, with such people as we have in Canada, with such industrial equipment, means of transportation and organization generally, there can certainly be prosperity for everyone even while we fight the most terrible war the world has ever seen. If the system we are following to-day denies this fact, then the system condemns itself.

The present proposal is only one of the devices which will be urged upon the governments of our land under the present system. If we continue making attempts to do the impossible, such as making an antiquated financial system work in a modern age to fight a modern war, a forced loan is simply one of the desperate expedients and doubtful experiments to which governments will be tempted to resort more and more as the days go by.

Some people will ask, "Well, what is your solution?" I have no intention of offering a solution; I am merely explaining the reasons why my group are not going to support the amendment. I will say though, in passing and in closing, that the solution lies along the line of wisely using our national credit. Such a use will obviate the need of, and the urge towards, such extreme measures as this one.

To those who feel disposed to smile, let me put this question baldly: Is it not common sense that a country as wealthy as Canada is in resources should be able to fight this war and still have prosperity? Everyone will say, "Yes." Next, can the system we are following enable us to do that? Everyone will say, "No." Very well, then; there must be a way out. Now, where is the way out? If we set to work as members to find the way out we shall begin to do some effective thinking; we shall begin to do the things we came here to do.

I am going to move an amendment to the amendment as follows:

That the amendment be amended by striking out all the words after "therefor" in the third line thereof, and substituting the following:

Under the provisions of the Consolidated Revenue and Audit Act, 1931, by way of interest-free money obtained from the Bank of Canada, such sum or sums of money not exceeding in the whole the sum of one billion three hundred million dollars as may be required for the purpose of this act. This method to be used only to the extent that government expenditures cannot be met from the receipts of taxation and the sale of interest-free war saving certificates.

Mr. ILSLEY: Mr. Chairman—

The CHAIRMAN: Before the minister speaks, I wish to direct the attention of the committee to citations 551 and 552 in Beauchesne's Parliamentary Rules and Forms. Section 4 of the bill which is now under consideration is submitted by the government, and the proposal is to raise the amount necessary to carry out the provisions of the act by way of an interest-bearing loan. The amendment proposes to raise that money by way of a compulsory interest-free loan to be levied according to the ability to subscribe such sum or sums of money, not exceeding in the whole the sum of $1,300,000,000, as may be required for the purpose of the act. I quote:

551. It is a fundamental principle that no resolution or amendment to increase a charge upon the people can be moved with the Speaker in the chair; it must be initiated in committee by a minister acting on behalf of the crown.

No. 552 reads:

552. Though it is the function of the committee of ways and means to impose rather than to repeal taxes, example of the repeal of taxation effected in this committee are to be found upon the journals. Proposals for the variation or modification of taxation can therefore be made in the committee; but these

proposals must be grafted upon the financial scheme submitted by the government, and must not affect the balance of ways and means voted for the service of the year. Amendments, therefore, can be proposed to substitute another tax, of equivalent amount, for that proposed by the government, as, for instance, a proposal to substitute probate and legacy duty on real property as an alternative for an inhabited house duty, the necessity of new taxation, to that extent, being already declared on behalf of the crown.

In my opinion the proposed amendment increases the burden upon the people and it does not lie within the power of a private member to move such an amendment in committee. It should be moved by a minister acting on behalf of the crown.

Mr. COLDWELL: May I discuss that ruling for a moment. I should like to have a further elucidation of the ruling on the point that it increases the burden upon the people. In my opinion, it decreases the burden upon the people considered collectively and as a whole, the people being those who are taxed collectively, the people of Canada. I submit that in reality the amendment decreases the burden upon all the people of Canada and is therefore entirely in order.

The CHAIRMAN: In my opinion the amendment is out of order for the reasons I have stated. Is the committee ready for the question? The question is on section 4. Shall section 4 carry?

Section agreed to.

On section 5—Orders and regulations.

Mr. CLAXTON: Before this section carries I should like to say a word or two on the subject of information. I had hoped to be able to make these remarks yesterday but the minister of information was away on business, so I should like to avail myself of his presence here to-day to say just a word or two on this subject.

There is no need to emphasize to this house or any other body the importance of information during this war; it cannot be exaggerated. All I wish to do is urge upon the government that the very excellent work described in the minister's statement of March 7 should be carried on and extended with all the pressure and urgency that the minister, with his very great ability, can bring to bear. Obviously, early in the war this government decided that it would not be proper for it to issue propaganda in the United States. With that decision I think every hon. member of this house was thoroughly in accord; and when friends in the United States asked me why we Canadians were not telling about the things we were doing in the war I always answered by saying, "Is it not much better that we should say too little than that we should say too much?" I think everyone who has thought about the matter was in thorough agreement with that policy, but we see where it brought us on several occasions. Representative Maas and Senator Nye, two of the leading isolationists in the United States, urged upon the United States congress and senate that Canada was not playing its part in the war, that we were not matching the United States lease-lend effort. In the United States our war effort was not thoroughly appreciated, and we did not have the flow of tourists backward and forward through which we might carry on those normal, friendly contacts we have always had with our neighbours to the south. In the New York *Times* of yesterday Mr. P. J. Phillips says that Canada's ban on publicity in the United States is to be lifted. I certainly hope that we are going to give more information in the United States, for a good many reasons which must be obvious to all. If we are to continue to have the close, friendly relations with the United States that we always have had and should always have, the United States must understand what we are doing, and we must express ourselves, our aims and our actions, to the people of that country.

This week, Mr. Chairman, there is an added reason for taking this matter more seriously. The London *Economist* in its current issue is reported to state that we in Canada should have a lease-lend bill like that of the United States. There again what we are doing is not properly understood, and with all respect I suggest to the minister that here is another opportunity for his department and the other branches of the government to increase the work they are doing abroad.

I suggest also that there is room for an intensification of information service at home. The fact that this debate has gone on for twenty-one days indicates that there is a lack of appreciation of what is being done. Had even more information been given, it is possible that the debate would not have lasted as long as it has. But I suggest that the way to give information, in addition to giving it here in the house, is through the press releases issued by the government in the ordinary course.

Within the last few days I had the very great privilege of visiting Halifax harbour and Sussex camp, and of seeing aeroplane factories and munitions works. I was immensely impressed with what I saw and with the appearance of the alert, fit men who are doing our jobs for us in those places. I suggest that if all the members of this committee had seen what there is to be seen of our war work in the various camps, ports and munitions works, a great deal of the

criticism that has been expressed here during the last few weeks never would have been uttered at all. There I saw men from all parts of Canada, men of whom any part of Canada might be proud. We cannot bring all the people to the Halifax and Sussex camps, but we can bring Halifax harbour and the Sussex camp to the people by means of the movies and broadcasting and the publications of the department of information. This department has been doing most useful work. The films that have been prepared are magnificent, but I think more can be done to bring home to the people of Canada a realization of the wonderful work that is being done and that is too often deprecated here and elsewhere.

It is exceedingly difficult in Canada to translate this figure of $1,300,000,000 into munitions, planes, tanks and trained men and women working eight-hour shifts, day and night, turning out things necessary for our security. Unless this can be visualized by the people and by this house, then it is apt to be felt that this sum represents just so much money or so much talk. What a story there is to tell! It is a story of which every Canadian should be proud. During the last eighteen months we have multiplied our air force tenfold, our army fortyfold and our navy tenfold. Each day we are raising and spending $2,700,000, while in the last war the figure was only $117,000. The expenditures for which we are providing in this appropriation, together with the amounts required for the repatriation of securities, are five times the expenditures during the corresponding period of the last war, and more than the entire cost of the last war. That is the picture the people need to see. That is why I say this figure must be translated into things they can see and words they can understand. That is the job the department of information has been doing, the job that I hope it will do more thoroughly as time goes on.

These are difficult times, Mr. Chairman. We are at perhaps the most serious stage of the war. These are times that try men's souls. We need, and the government need, all the support and help they can get from every source, and I suggest that the department of information has a task to perform in telling the story so that the government may get that support. The exploits of our men in the air, the indomitable courage of our merchant marine, the endurance of the people of England have won the admiration of the world and have called forth our gratitude day by day. In the air, on land and at sea the heroic age has returned to our race, and that is the story that should be told.

Mr. CHURCH: The country has taken this huge expenditure with a great deal of good grace. But the business men of Canada do not wish to permit the functions of the House of Commons to be usurped by scores of orders in council. We have seen the effect of orders in council in connection with what has happened concerning the National Resources Mobilization Act. This huge war expenditure is what we are getting because over a period of twenty years parliament had become so strongly Geneva-minded.

In my opinion this section is unnecessary. Parliament meets from time to time, and there is no necessity to give the governor in council such vast, wide powers—powers which practically override the financial structure of Canada. They override our tariff provisions—and all this is done merely by order in council. It has the effect of adding further burden to the hard-pressed industries and businesses of Canada.

The artificial burdens, barriers and restraints of trade to which business men are subjected render it almost impossible for them to conduct their business. This bill smacks of the Marxian policy of the totalitarian states. It may also be a gesture to hon. members to my left. It may be the intention to give them a loaf in this way, and to decline to give it to them in the manner that has been described this afternoon.

If Hitler comes he will care nothing about our financial structure. He will not consider whether we have a government composed of Liberals, Conservatives, Social Crediters or members of the Cooperative Commonwealth Federation. Before this measure passes the government should tell the country to what extent its financial programme to be carried out by order in council will interfere with the normal peace-time business of the wholesalers, retailers and grocers. In my opinion the aim should be to add to the production of armaments without a shortage of non-defence consumption, and without unnecessary substitution of goods used in every day consumption.

As I said the other day this country has unlimited resources. Our natural resources from coast to coast are vast. We have financial resources and, notwithstanding the measures brought down by the government in connection with war expenditures, I say we have a reserve of labour. There is still a large reserve force of labour, and especially of people over forty-five years of age. Those are men with technical experience, and well able to help.

The people of Canada are behind the war effort to the utmost extent, but I must object to giving the government of the day the vast liberties set out in this measure. In our experience in connection with the National

Resources Mobilization Act, we see what happens when we give power to act by order in council. We gave the government supreme power over the liberty of the subject, and over all other statutes which safeguarded our liberties.

What has happened in connection with conscientious objectors? With its power to pass orders in council, what did the government do? Instead of giving those people work in military districts, or sending them to Iceland or to Greenland's icy mountains, by the time the government has finished I am convinced it will wind up, by order in council, by presenting every conscientious objector in Canada with a gold watch and an illuminated address. That is what happens when we have government by order in council.

Has the business community been consulted about this section? Have officials of the Bank of Canada been consulted? Have the so-called brain trusts, which appear to be doing very little at the present time, been consulted? Does the manner of proceeding under section 5 fit into the lease-lend bill? Does this section take into account the effect it will have on that bill? How will it affect the negotiations now pending with Washington concerning parity of the dollar? The United States has made some arrangements with other north American countries, and in my opinion there should be some explanation of the very wide powers conferred under this section. If we are to pass legislation of this kind, we might as well abolish any further control over the financial structure of the country.

Mr. MacNICOL: I should like to ask a question in connection with paragraph (c) of section 5, which reads:

> Prescribe administrative practices with respect to contracts and agreements for the execution of any public work or for the acquisition of lands—

And so on. If a munitions plant is to be erected on land expropriated by authority of an order in council, has the expropriating authority the right to pay the owner of the land anything it desires to pay?

Mr. ILSLEY: This subsection has for its purpose the strengthening of the cabinet's control over departments. For example it might be felt desirable to lift war transactions out of the scope of the Public Works Act or the Department of Transport Stores Act. Likewise the desire might be to have a uniform practice with respect to purchases. At the present time a department, except that of Munitions and Supply, goes to council for a works contract involving $5,000, but it can buy $50,000 or more of equipment without coming for an order in council. Generally speaking the intent is to provide the necessary power to the governor in council to make such rules as are considered necessary. It also permits pool orders for materials and supplies. It gives the governor in council wide powers with regard to the acquisition of lands. I do not think that in the acquisition of lands the governor in council would be bound by the provisions of other acts, once this act is passed. That is the object of the measure.

This subsection was contained in a similar section of the last appropriation bill. The whole of section 5 is identical with that of section 5 in the 1940 act.

Mr. MacNICOL: Perhaps the question I have in mind has no connection whatsoever with this paragraph. I shall ask it however, and if I am out of order the minister need only nod his head, and I shall not proceed farther. I have in mind a resident in my constituency who about twenty years ago purchased land in a subdivision which had been opened up outside the city of Welland. Many others purchased land in that subdivision but in the course of that twenty years much of it has become the property of the original owner, which I believe is now the city of Welland. As the minister is probably aware, recently a large munitions plant has been built on that land outside Welland, in Crowland township. The person I have in mind was from a thrifty Scottish family, and having paid something on the land he determined to continue paying until he received the title. This was accomplished. Including the original cost of the land, payments for interest, taxes and so on, he has put into that property more than $500. Along comes the purchasing agent of the Canadian National Railways and states to this person that he must take $50 or nothing, because that is all he will get for his land. "Other people are selling their lots for that, and the city of Welland are selling theirs," he said. This does not seem to be British fair play. I do not believe the government wants to have land needed for war work purchased under such conditions.

Mr. ILSLEY: I do not know just what the facts are in that particular case.

Mr. MacNICOL: I have stated them quite clearly.

Mr. ILSLEY: I presume there are other facts which have not been brought to the attention of the hon. gentleman. I do not think the government would tell Canadian citizens that they can take a certain amount or nothing. This is the first instance I have heard of that kind of thing. I do not know

just how the government go about it; this would come under the Department of Munitions and Supply.

Mr. HANSON (York-Sunbury): What is the general practice followed in taking over land for war purposes? Is it done under the general expropriation act or under the War Measures Act?

Mr. ILSLEY: I am afraid I cannot tell the hon. gentleman.

Mr. HANSON (York-Sunbury): Some complaints were made to me in connection with the taking over of land at Tracadie in the county of Gloucester for the new artillery range. After investigation and having the facts supported by affidavits I came to the conclusion that generally speaking the prices offered were fair and reasonable. I happened to know the right of way agent who was acquiring the land for the government and he promised to review all cases that I named. There were instances where there was a difference of opinion or perhaps a difference of judgment as to the value of the land. My own view is that the government was endeavouring to pay a fair price, not the large price that some people would like to get from the government in war time. In this case I think the land is being acquired by the Department of National Defence, but I want to say that I believe they are trying to protect the public treasury. After I had investigated a series of cases where exception was taken to the amount offered, they promised to review them. Perhaps the method followed was a little harsh. I understand that these people were told that if they did not take what was offered, the government would expropriate the land and if they did not get a court decision for more than had been offered they would have to pay all costs. Perhaps that was turning on the heat a little too much, but on the whole I think the job has been done in a decent way. This is certainly not carping criticism.

Mr. MacNICOL: Perhaps when I said "that or nothing," I should have said that they were told they would have to accept that, for they would get no more. I had some conversation with an officer of the railway company which was buying the land and he was quite emphatic that they would not pay any more than $50 for the lot. If my memory serves me correctly, these people had paid approximately $500 in purchase price and keeping up taxes and interest. That offer struck me as being rather arbitrary. I think they should have been given at least the original cost, and I believe they were willing to settle for that.

Mr. ILSLEY: If my colleague were here he could inform the committee as to the practice of his department. I think it is just what the leader of the opposition has said. A certain sum is offered and if a man does not desire to accept that, the land is expropriated and he must run the risk of the final decision by the court not being more than the offer, in which case he would have to pay the costs.

Mr. MacNICOL: A humble working man cannot engage a solicitor to contest an action in the courts. He is forced into the position of having to take whatever is offered.

Mr. ROSS (St. Paul's): Many hundreds of millions of dollars have been advanced to companies to do war work. This money has been advanced in various ways. In some cases the government have built buildings, in other cases they have purchased machinery and in other cases the companies have bought machinery on government account. What is going to happen to this machinery after the war is over? I suggest that a permanent commission be set up so that proper records can be kept and a study made of what will be done with this machinery and these plants after the war. Now is the time to tackle this problem. We should not wait until the war is over.

When the Minister of Munitions and Supply went to England the men in the aeroplane industry were rather pleased because they thought that he would discuss matters with the British people and they would know when he returned just what was going to be done. But so far no policy for the future has been laid down, and no announcement has been made by the government as to what planes are going to be ordered or what planes will be required. Some of the men in the aeroplane industry are beginning to get to the end of their tether as far as work is concerned. Unless some policy is announced and orders given out they will not know where they are. In some factories men have been laid off. I just bring this matter to the attention of the government. For the sake of the industry I think some statement of policy should be made by the government.

Mr. MACDONALD (Kingston City): With regard to machinery purchased by the government or by companies for the government, the title remains in the government. This is provided for in each contract. There is no doubt as to the ownership; this machinery will belong to the government when the war is over. As to aeroplanes, I do not think it is correct to say that the government has no policy with regard to aeroplane production. That policy has been announced in the house.

Mr. HANSON (York-Sunbury): The hon. member means for the future, after the war.

Mr. ROSS (St. Paul's): I realize that some of these companies have been given work to carry them to the end of the year, but it must be remembered that it takes a considerable time to bring an aeroplane from the blueprint to the construction stage. It will tail off at the other end. Men are out of work and they want to know how they can carry on. In respect to the machinery, I realize that the title is in the government. But has the government a tag on every piece of machinery? The records may be all there, but you have this building down here on Wellington street with thousands of people in it, with various subdepartments. Records are scattered all over. It seems to me that there should be a permanent commission to collect this information. I quite realize that the government has title to the machinery, but some plan ought to be worked out in connection with what is to be done with it after the war.

Mr. O'BRIEN: Yesterday I asked a question of the Minister of Labour in connection with the expenditures in New Brunswick upon vocational schools. I notice the minister is not in his seat, and as we seem to be making rapid progress with this bill perhaps the Minister of Finance could give me the information. If it cannot be given now, it may be available later, after the bill passes.

Mr. ILSLEY: I do not just remember what the question was.

Mr. O'BRIEN: The question was: How much has already been paid to New Brunswick, and has any amount been appropriated to that province for the future for vocational training?

Mr. ILSLEY: I have not the information but I shall bring the question to the attention of my colleague. The hon. member would like the assurance that he will get the information at some later stage?

Mr. O'BRIEN: In the event of this bill passing.

Mr. ILSLEY: There will be stages of this bill or of some other bill on which it can be given, perhaps on the supplementary appropriation bill. I will bring the question to the attention of the Minister of Labour.

Mr. CASTLEDEN: Clause 2 of section 4 reads:

> The principal raised by way of loan under this act and the interest thereon shall be a charge upon and payable out of the consolidated revenue fund.

Would the amount chargeable to consolidated revenue fund be less if there were no interest?

[Mr. A. L. Macdonald.]

The CHAIRMAN: The question is out of order.

Mr. COLDWELL: Surely, Mr. Chairman, the question is not out of order.

The CHAIRMAN: The question is futile, in my opinion. The question is, will the charge on consolidated revenue be less if there is no interest charge. The answer is obvious; therefore the question is futile.

Mr. COLDWELL: What is the answer if it is so obvious?

The CHAIRMAN: I have not to answer the question. All I say is that the question is futile because the answer is obvious. If any hon. member asks whether the sun will rise tomorrow I would rule the question out of order because it was not a serious question; and asking whether a charge would be less without interest or with interest, is in exactly the same category. The question is futile and therefore out of order.

Mr. COLDWELL: What becomes of your ruling of a short time ago, Mr. Chairman?

The CHAIRMAN: My ruling is not in question. The hon. member could have appealed from my ruling, but he did not do so. Therefore my ruling is not before the chair now.

Mr. CASTLEDEN: I am willing to abide by your ruling, Mr. Chairman, and I will now ask what might appear to be a more serious question. Has the Minister of Finance given any consideration to pegging the rate of interest? A good many of these so-called selfish prudent people very often withhold from investing in a loan hoping that another loan will be offered later at a higher rate of interest. It would do a great deal to save interest charges on the consolidated revenue fund if the rate of interest on these loans was pegged right now.

Mr. ILSLEY: I think the hon. gentleman is wrong. He may be right about one individual in ten thousand, but he just is not acquainted with what actually happens when a loan is floated. The second war loan was offered to the public, not at a higher rate but at a slightly lower rate of interest than the first war loan, and it was subscribed in very large amounts by institutions and wealthy individuals. The disappointment in the early stages of the second war loan was not with people with large amounts of money to subscribe, but with persons of small or moderate incomes. That was where the loan fell down in its early stages—not with the class of people to whom the hon. member refers. I have no brief or preference for one income

group rather than another, but since I have been in the Department of Finance I have never seen any real ground for an accusation against one income group rather than another. You will find selfish people as well as unselfish people in the low income groups, and you will find selfish and unselfish people in the higher income groups, and I could give the house a good many instances to substantiate what I am saying.

The hon. gentleman asks whether the government has given consideration to announcing that the interest rates will never be higher on any subsequent issues. Is that his question?

Mr. CASTLEDEN: Yes.

Mr. ILSLEY: I said the other day in answer to a question by the hon. member for Acadia (Mr. Quelch) that the government could not give an assurance about interest rates. But the facts speak for themselves. The interest rate has not gone up, and our securities have maintained their standing on the market. At the time we floated the second war loan, the first war loan bonds, if I remember correctly, were selling at par or slightly above, and I have no expectation that it will be necessary to pay higher rates of interest than we are paying at the present time. I can give no assurance further than that.

Mr. CASTLEDEN: What was our experience in the last war?

Mr. MACDONALD (Kingston City): I submit, Mr. Chairman, that this discussion is out of order, because it has to do with clause 4, which has already been passed.

The CHAIRMAN: The point of order is well taken.

Mr. DIEFENBAKER: I think my question will be in order under section 5, paragraph (d), which provides that the governor in council may, by order or regulation, "provide for the utilization, control and disposal of equipment, materials and supplies".

Under the heading of "supplies" I would ask the Minister of Agriculture to explain the anticipated expenditure of $7,877,550 in the war appropriation estimates for 1941-42 for the Department of Agriculture, and in particular what expenditures are anticipated "to provide assistance in disposal of agricultural products rendered surplus by war". That will be found at the bottom of page 1497 of *Hansard*.

Mr. GARDINER: The first item, $31,000 for administration, is obvious. Next is "programmes to encourage production of essential war supplies, $100,000". That comes under the war supplies board, covering such things as dealing with flax. The government has taken over the flax supplies and has designated a certain proportion of them for Ireland, some for Britain, and some here. The next item is for the "purchase, storage and distribution of agricultural supplies, $1,000,000". Those two items have to do with similar things, namely, the production of garden seed, flax, and certain substances which are required for fertilizers, the shipment of which out of the country has to be guarded against.

The commodity boards are the dairy board and the bacon board. For the bacon board the amount is $71,300; for the dairy products board, $14,950. There is a vote for assistance in the disposal of agricultural products rendered surplus by war: that is the large item, and has principally to do with apples. The expenditure under the apple and cheese agreement is indicated in the item above, "disposal of Canadian apples, 1939 crop, $1,503,108.89". There will be a similar amount required this year for apples. "Disposal of Nova Scotia apples, 1940 crop, $1,172,820.79." For the advertising of apples last year, $49,704 was required; a similar amount will be required this year.

For the other items which appear in the war appropriation of 1940-41, covering purchase, storage and distribution of fibre flax seed, a similar amount will be required this year. For bacon board administration, $33,618, a large amount will be required. For dairy products board administration, which was $5,434 in 1940-41, probably a larger amount will be needed this year, as the full year will be covered. A sum corresponding to last year's vote will be needed for scutchers, and for the purchase of seed potatoes. The final items are, agricultural supplies board administration, $23,576, and root vegetable seeds, $30; similar amounts will be included this year. These various items make up practically the whole amount in 1940-41.

Mr. DIEFENBAKER: Why the very large increase, approximately $3,000,000 over the expenditures of last year? What does the minister intend to do which will justify that extra expenditure?

Mr. GARDINER: I am sorry that I have not the items any further particularized than in the figures which were given here. Not all the amount estimated last year was spent.

Mr. HANSON (York-Sunbury): Of course the minister should explain why there is this increase in the amount. There must be a reason, and if he needs time to get the information we shall be glad to give it to him.

While I am on my feet may I ask why no consideration has been given to the plight of the potato farmers in Prince Edward Island

and New Brunswick? Potatoes are selling in Prince Edward Island at 24 cents a bushel, or 60 cents a barrel, without any appreciable market. The farmers of eastern Canada who grow potatoes as their principal crop are just at the end of their tether. They have had ten years of this sort of thing, with one on two exceptional seasons in between. They have used up their reserves and their resources. In addition, the price of their fertilizer has steadily increased, largely as a result of the legislation passed by this government in the baby budget last fall; the cost of exchange was increased, and the ingredients of the fertilizer have to be imported. The potato farmers see their neighbours in the Annapolis valley being bonused. They see that our friends the wheat farmers of the west have at least had their prices stabilized, no matter what the opinion may be as to the adequacy of the price to be received by them. Over and above that they observe this gesture on the part of the government, that men shall be bonused for non-producing. But not one word from this government with respect to the farmers of the maritime provinces, aside from the apple growers. If the government can provide a war appropriation of $6,600,000 to dispose of unmarketable agricultural surpluses, they can do something for the potato farmers of Prince Edward Island and New Brunswick.

I do not understand why these people are forgotten. The industry is an important one in the northern part of the Saint John river valley. I have often urged that these men get back into other varieties of production. They look across to the county of Aroostook in the state of Maine and they see that the potato men there make a strike one year in three or four. There is no doubt about it that occasionally over there they make a real strike. But it is a crop for which the soil of our growers is adapted. They have the machinery, they are able to produce, and they do not lightly yield their desire to do their own planning. I am more particularly interested in the growers of New Brunswick because I know their situation a little better. I have lived among them, gone around among them, and tried to assist them as an individual and in every way I could. I have put money in those farms, a good deal of which I shall never get back, nor do I expect to get it back. But they have a right to ask this government, when it has adopted the policy as a war measure of asking the general taxpayers of the country to put up $6,600,000 for surplus agricultural products, that it should give them at least some consideration. And it is denied them. That position is not good enough for the potato farmers of New Brunswick. They want to know why they have been overlooked.

The CHAIRMAN: I do not believe that the remarks of the hon. gentleman are in order under section 5 of the bill. Section 5 is limited to orders and regulations by the governor in council. Shall section 5 carry?

Mr. HANSON (York-Sunbury): I suggest that, before you get the bill through, the minister should give us an answer. We do not intend to delay this bill; I should like to see it get through before six o'clock.

Mr. GARDINER: I have no objection to giving an answer with respect to potatoes, but I must bow to the ruling of the chairman in connection with a matter of this kind. There is a proper time to bring it up. As a matter of fact the particular subject raised has nothing to do with war expenditures at all; it has to do with agriculture as such.

Mr. HANSON (York-Sunbury): But the minister is justifying the purchase of the Annapolis valley apple crop, under this section and in the bill; and surely the subject of potatoes is just as germane as that of apples.

Mr. GARDINER: No, Mr. Chairman, it is not.

Mr. HANSON (York-Sunbury): If the minister wants to leave it there, I am satisfied.

Mr. ADAMSON: Under section 5, subparagraph (c), I should like to address a question to the Minister of National Defence for Naval Services. I received a letter to-day, from which I will omit names, but I believe it is symptomatic of what is going on in Halifax. It reads in part as follows:

> My young nephew . . . was recently transferred by the Royal Canadian Air Force from Toronto to Halifax, and writes to his mother . . . in Toronto stating that air force men must live in billets in Halifax, and are allowed $5.95 per week for subsistence.
>
> He states that it is extremely difficult to obtain billets and he considers he was lucky to land in with a former pal at an address given as —— Barrington street. He states that this house is full of airmen and soldiers, and his landlady collects $4 per week each from them plus 35 cents per meal. He states that he is one of five living in one room, so that in this case the woman takes in $20 per week from one room only.

Would it be asking too much to request that the minister should have some person check—

The CHAIRMAN: Order. The remarks of the hon. gentleman do not fall within paragraph (c) of subsection 1 of section 5. The purpose of the section is to empower

the governor in council to make orders and regulations, but it has nothing to do with the subject matter with which the hon. gentleman is now dealing.

Mr. ADAMSON: The question I wish to bring to the attention of the government is this. This is going to be a long war and this practice of billeting out men in the three services is extremely bad for their morale. Would the government consider at the earliest possible date the question of establishing camps in order to alleviate the present condition, which is reacting very badly on all the services.

Mr. HANSON (York-Sunbury): May I point out that the reason for the inadequate discussion of the question with regard to the $6,600,000 is the fact that the Minister of Agriculture (Mr. Gardiner) was not here yesterday when the discussion arose. I think some latitude might be allowed now that he is in his place. I have no doubt the minister was away on important public business. I would certainly advise that an opportunity be given the minister to make a statement on this particular point.

The CHAIRMAN: The minister has stated that nothing with regard to potatoes was involved in the vote of $1,300,000,000 though there was something in connection with apples, and that when the estimates of the various departments are being dealt with in committee an opportunity will be given for full discussion. I should like to remind hon. members of the committee that, when an item is before the committee, if a general discussion foreign to that particular item is allowed, the discussion is started all over again when the proper item in the estimates is taken up by the committee. I have not made these rules. The rules governing parliamentary procedure have come to us as the result of wisdom and experience and it is the duty of the Speaker and of the deputy speaker in committee to apply those rules. Parliamentary institutions and parliamentary practice and procedure will fall into contempt unless the rules are adhered to. I should like to have parliament change the rules if it is desired to have some other method adopted of dealing with matters of procedure to be followed in committee. But unfortunately I am the slave of the rules and regulations of parliament and my function, as is the function of the Speaker, is to apply the rules. I should be derelict in my duty if I did not bring the rules to the attention of hon. members and point out the importance of observing them, if we wish the public, as well as ourselves, to have any respect for our parliamentary institutions.

Mr. GRAYDON: May I refer to a matter that was brought up yesterday in the house —and I hope I shall not be in the unfortunate position of the gentleman who was discussing the probability of to-morrow's sunrise. The question was discussed at some length yesterday and the minister in charge at that time was the Minister of National Defence. I believe he was taking for the time being the place of the Minister of National War Services. I would refer the committee to page 1826 of *Hansard,* in the first column of which three questions are raised. The first is with regard to newspaper reports concerning Canadian Vickers Limited; the next, a newspaper report concerning the Fairchild company; and the third, a report with regard to the Noorduyn company. As I understood, reports came to the minister with regard to the first two companies, and he received a memorandum from General LaFleche, deputy minister of national war services, at the foot of which, as will be seen at page 1826 of *Hansard,* appear these words:

> I tried to reach Mr. Noorduyn but he was out and not expected home until after eleven o'clock to-night. I asked his office to request Mr. Noorduyn to phone me to-morrow morning.

That indicated that to-day we might expect an answer with regard to the Noorduyn company and the matters to which reference was made in the debate at that time regarding aircraft production and the question of the four months training plan. I should like to have some explanation.

The CHAIRMAN: Does the hon. gentleman suggest that that has anything to do with conferring upon the governor in council the power to make orders and regulations? I do not regard the question as in order at this point.

Mr. GRAYDON: We are all trying to get certain information of a public sort, and I submit that a little latitude might be allowed with regard to a matter as important as this particular communication purports to be. I should like the chair to give the minister an opportunity to answer the question.

Mr. MARTIN: I do not like to take serious issue with the hon. gentleman who has just spoken, but this house has sat for five weeks and ministers have been subjected to all sorts of inquiries, and the hon. gentleman was the one who rose in his place the other day and criticized the administration

because of the method then pursued. Every latitude has been extended to hon. gentlemen opposite, and the hon. member who complained against the administration is the very man who is now asking us to go back to the procedure which the other day he condemned.

Mr. GRAYDON: It is not very often that my hon. friend misses the point entirely, but on this occasion—

The CHAIRMAN: Order. I have intimated to the hon. gentleman that in my opinion the subject which he proposes to discuss does not come within the provisions of section 5, which empowers the governor in council to make orders and regulations. Unless he has the unanimous consent of the committee to suspend the rule, I must rule his question out of order.

Mr. HAZEN: If I am in order, Mr. Chairman, and I trust you will call me to order if I am not—

An hon. MEMBER: He will.

Mr. HAZEN: —I should like to address a question to the Minister of National Defence for Naval Services. Has any consideration been given to the question of equalizing pay and allowances of officers, petty officers and men in the navy so as to bring them more into line with the pay and allowances of officers, non-commissioned officers and men in the army? I have here some information which I believe is correct, showing that a lieutenant in the army receives $5 a day pay and $69 allowance per month, while a sublieutenant in the navy receives $4 a day and $45 allowance. A captain in the army receives $6.50 pay and $74 per month allowance, while a lieutenant in the navy receives $5 pay and $45 per month allowance. A sergeant in the army receives $2.20 and $59 allowance while a petty officer in the navy receives $2.40 and $37.50 allowance. A corporal in the army receives $1.70, or a lance-corporal $1.50, and $59 a month allowance. An able seaman gets $1.85 and $37.50 allowance.

An army lieutenant with a wife and two children receives $219 per month, while a naval officer of equivalent rank with a wife and two children receives $165. An army captain with a wife and two children receives $269 per month, while a naval lieutenant with a wife and two children is paid $195. These are just some of the figures I have before me, which would lead to the conclusion that officers, non-commissioned officers and other ranks in the army receive much better pay than officers, petty officers and men of the navy. Moreover, naval officers suffer in other respects in comparison with army officers. Naval officers must supply themselves with standard uniforms from private outfitters, whereas an army officer can purchase his battle dress from quartermaster stores at about one-quarter the cost of a naval officer's uniform.

I do not wish to take up the time of the committee to go into all the figures I have before me. I have referred briefly to this matter for the purpose of asking whether any consideration has been given the question of equalizing the pay of the different services.

Mr. MACDONALD (Kingston City): A great deal of consideration has been given the question which my hon. friend brings before the committee. It is true that when you take the daily rate of pay of a certain officer in the navy, and the allowance which his wife and children may receive, and compare that with the pay and allowances received by an army officer of similar rank, you may find some discrepancy. In certain ranks the naval officer will receive less; in certain other ranks he will receive more. But naval officers have many allowances of one kind or another which have come down through the years, and which help to make up for that difference. I have not the figures before me at the moment, but I shall be glad to make a more complete statement to-morrow. I may add, however, that the matter of relative pay has been considered by a committee representing all three services, which has studied the matter for months and which struck what it thought was a fair solution, taking everything into consideration. That solution is being applied at the present time. My hon. friend has been very fair in his presentation, and I shall be glad to look into the matter.

Mr. GRAYDON: After I mentioned the Noorduyn question, Mr. Chairman, and before I obtained a reply, you were kind enough to suggest that perhaps the committee would give unanimous consent in order that I might obtain an answer to my question. I should be very glad if you would put that question to the committee now, in order that I might obtain at least some reply from the minister. It is a matter of only a very short answer.

The CHAIRMAN: What was the question?

Mr. GRAYDON: I do not want to repeat my whole statement, but we should like to know what sort of reply was received from the Noorduyn company in connection with the interference of the four months' training with the operations of that plant.

Mr. GARDINER: The discussion which took place yesterday had not been brought to my attention, and I do not know whether a reply has been received as yet. If the hon. member would care to repeat his question on

the orders of the day to-morrow, I should be glad to have information available at that time.

Mr. NICHOLSON: I wanted to ask the Minister of Munitions and Supply a question under paragraph (d); but since he is not here, perhaps the Minister of Finance could give me the explanation. My question has to do with the rate of profits available to corporations receiving government contracts.

The CHAIRMAN: The hon. gentleman is out of order in asking that question under section 5.

Mr. NICHOLSON: Paragraph (d) states:

(d) provide for the utilization, control and disposal of equipment, materials and supplies—

The CHAIRMAN: This section only gives the government power to make orders and regulations.

Mr. NICHOLSON: Paragraph (d) provides for the utilization, control and disposal of equipment, materials and supplies. What control has the government in connection with these materials? I have in my hand an article by Leslie Roberts stating that contracts are liable to continuous audit and that the figures may be revised in order to keep the manufacturer within his ten per cent profit zone. I should like to know whether this ten per cent profit zone is on the entire investment or, for example, if the company had a turnover of a million dollars a month in connection with materials purchased, whether or not this percentage would be on the total turnover.

Mr. ILSLEY: There is no ten per cent profit zone of which I have ever heard. I would have to see the article to know what the writer is talking about. I know in some instances an arrangement is made to keep the profit down to five per cent.

Mr. HANSON (York-Sunbury): With some companies it is three per cent.

Mr. ILSLEY: Yes. I am quite unable to understand that reference to ten per cent.

Mr. NICHOLSON: Even assuming that the profit is five per cent, would that be on the total volume for a given month? For example, if you bought a million dollars worth of material in the course of the month, would this five per cent profit be allowed on the materials purchased over a given period?

Mr. ILSLEY: It would depend on the contract. There is no general rule.

Mr. ADAMSON: I should like to ask the minister of naval services a question. I understand that officers of the Royal Canadian Navy are exempted from payment of income tax. Is that so? With reference to the situation in Halifax, I understand that the navy is building a large new barracks there, but are the other services doing the same thing? Would the minister find out for me from his colleagues?

Mr. MACDONALD (Kingston City): I cannot answer at the moment, but I will ask my colleague, who will be back to-morrow, or his deputy, and find out for my hon. friend.

Mr. ILSLEY: I suggest, Mr. Chairman, that the question with regard to income tax is not in order under this section.

Section agreed to.

On section 6—Accounting record of commitments.

Mr. HANSON (York-Sunbury): I should like to make a few observations on this section, which provides:

Upon the governor in council making an allotment of any part of the one billion three hundred million dollars ($1,300,000,000) granted by this act to provide for the cost of any service, the Minister of Finance shall cause an accounting record to be maintained in a form that will disclose the financial commitments entered into and the expenditure made as a consequence of the allotment being provided for the service concerned.

Predicated on that, there will always be available to the government, and should be available to the country at stated intervals, statements of the expenditures as made under the authority of this section, and in a form that will disclose exactly what expenditures have been made in consequence of the allotment. I have not looked up the record, but I think last year I appealed to the Minister of Finance to lay before parliament within a limited period—I am not sure whether or not it was after the end of the fiscal year—a statement of this accounting of expenditures. I suggest to him that that is a reasonable request, and that if we had had something like that before us during the last three or four weeks, we would have made much more rapid progress than we did make. Instead of a procedure of hit or miss, catch as catch can, as we know was the situation in connection with discussions in committee, we would have had by operation of law and by direction of the house a statement placed before us in convenient form before we began to discuss the appropriation for the coming year, upon which matter we have spent so much time.

I appeal to the minister, as I believe I appealed to him on a former occasion, to amend this section by providing that there shall be laid before parliament a statement of the expenditures based upon section 6. That is what ought to happen and what the trustees ought to be obliged to do. It seems to me

that that would bring about a great saving of time in the discussion of war appropriation bills. If we had had that a month ago, this bill would have long since been passed, and we would have had much more information than we have received up to the present time.

Why, Mr. Chairman, we have just touched the fringe of the expenditure of $700,000,000 for last year and the proposed $1,300,000,000 for this year! In a great body of 245 members I doubt if it is possible to do a thorough job in the examination of expenditures made under last year's bill. This body is too large and too unwieldy. We have, as I say, only touched the fringe of the proposed expenditure of $1,300,000,000 to be made in the coming fiscal year.

I am not going to take any blame or responsibility for the delay in the discussion. That blame is on the administration because of its not having given us in the early stages of the discussions in committee a succinct break-down of the money which parliament voted so willingly in the months of June and July last. I suggest that in the interests of the orderly conduct of the business of the House of Commons it should be made incumbent upon the Department of Finance at the next session as early as possible to submit to the house at least an interim statement of the expenditures, we will say, between the 1st of April and the succeeding six months, at which time probably parliament will not be in session.

I offer this suggestion in the spirit of goodwill. Before the bill has received third reading, I hope the minister will give consideration to what I believe is a constructive suggestion and one which in the end will save parliament a great deal of time and money.

Mr. ILSLEY: Mr. Chairman, the information asked by the hon. member will be given at the next sitting, if it is required.

Mr. HANSON (York-Sunbury): Oh, if it is dragged out of you, it will be given.

Mr. ILSLEY: There has never been the slightest hesitation or delay in complying with requests for information. We have given table after table and information in all forms just as soon as we could find out what the members of the house wanted.

Mr. HANSON (York-Sunbury): We are entitled to have it all.

Mr. ILSLEY: And we are prepared to do this again.

Mr. HANSON (York-Sunbury): Under this section the minister is commanded by parliament to cause an accounting record to be maintained in a form that will disclose the financial commitments entered into—that is for the guidance of the various spending departments—and the expenditure made as a consequence of the allotment being provided for the service concerned.

All we are asking—and I submit it is a reasonable request—is that within a limited period of time after the next session of parliament begins, there shall be laid before parliament, without our having to ask for it, and without having to drag it out, the information I have indicated. That would be a statement of, we will say, six months of the fiscal year.

What do we get to-day, if we do not get it in this committee? We get an abbreviated statement in the auditor general's report which, to me, does not mean anything. Look at the auditor generals' report for this year!

Mr. MacNICOL: A disgrace to any country.

Mr. HANSON (York-Sunbury): No; I will not say that. I believe the auditor general has probably had in mind the purpose of abbreviating, if he could. But I do not think the annual report of the auditor general is satisfactory for this purpose. It may be that we are wedded to an old system, and that we do not like to depart from it. Probably if we have to, we will get used to a new set-up. But the present condition is not satisfactory. The report comes to us too late to be of any use in discussing current events or current expenditures.

I did submit this to the minister in the utmost of good faith, and he has rebuffed me. I do not know what more I can do. I suggest to the Prime Minister—and I now make my appeal to him—that he give consideration to what I considered last session and what I now consider to be a reasonable request on behalf of the people of Canada, who are paying this money, so that their representatives in parliament may know at the earliest possible moment what is being done with their money.

On many occasions I have said in the house that the people of Canada will give this government, or any government charged with the responsibility of our war effort, all the money required to carry on that war effort. I have no doubt as to the truth of that statement. But *per contra* they will demand at the earliest possible moment a just and true accounting of how those moneys have been expended. If we abdicate that function in Canada and in the House of Commons, then I suggest we are not performing our proper functions as representatives of the people.

It is true that under the War Measures Act we are being governed by order in council, and that parliament has been reduced to the status of a body which passes votes of money and which hands over blank cheques to the government to be filled in, in the manner they see fit. That is more or less inevitable in war time; I do not think it could be done in any other way. But the corollary is true, that because confidence is placed in the administration, that administration should rise to the occasion and submit to the people a full accounting of how the money has been spent. Surely that is a reasonable proposition.

If the right hon. gentleman were sitting here and that principle were promoted, I am sure he would get in behind the demand for its support. I well remember his attitude and that of his colleagues in days gone by in connection with votes for relief—and quite properly so. This is war time, and necessities for greater expenditures, rapid expenditures, speedy expenditures are constantly arising. All I am contending for is the principle of trusteeship. This government, the trustees of the people, should render an accounting unto Cæsar—and the people are Cæsar.

Mr. ILSLEY: On February 18 I introduced the war appropriation bill now under discussion. I stated that $700,000,000 had been supplied last spring for the current fiscal year. I pointed out that up to January 31, 1941, approximately $538,000,000 of that sum had been expended. I broke that amount down into the amounts spent on militia services, naval services, and on the air force. Further, I gave a sub-breakdown for the amount allocated to the air force. I pointed out the amount spent on other defence services, in the Department of Munitions and Supply and in other departments. That break-down is to be found in *Hansard* for February 18, 1941, page 822. That was the day after the house reassembled. The information I placed on record at that time was as to the amount which had been expended, and the purposes for which the expenditures had been made. I expected that if any further break-down were required, it would be asked for. Later, in the month of March, that further break-down was asked for, and I gave it. *Hansard* for March 10, page 1363, shows a further break-down of the $538,000,000. It was slightly inaccurate, because the amount was $536,000,000. I explained at every stage that there might be slight inaccuracies, but I offered at all times to give information if it was required. There has been the fullest accounting and the promptest conveying of information to the hon. gentleman and to other members of the house. When the hon. gentleman says that information has been dragged out of us, that we have given information reluctantly and only when we were forced to, he is making a misrepresentation of the facts. We have given a strict accounting and have offered to give further information at every stage. We are prepared to do so again. We do not wish the impression to go out to the country or to members of this house that we have not been giving information just as soon as it was asked for and just as fully as it was possible to give it.

Section agreed to.

Bill reported.

SUPPLY

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee of supply.

He said: I should like to explain why I am moving that the house go into committee of supply to consider interim supply. The government is asking for one-sixth of the amount of the estimates for the year 1941-42. It is understood that no advantage is to be taken of agreement with this motion. It is more or less a routine matter, to permit the senate to pass the bill which will be based upon the resolution, so that the services may continue in the beginning of the new fiscal year.

Hon. R. B. HANSON (Leader of the Opposition): The Minister of Finance (Mr. Ilsley) was courteous enough to speak to me yesterday about this matter. At that time there was another question involved to which I felt I could not agree. We are prepared to agree to the granting of interim supply on the distinct understanding that it is without prejudice and that it does not supersede, if that is the correct term, the previous motion to go into supply. I suppose this procedure is necessary because the other chamber may not have sufficient work at the present time and may not be available at a later date to pass this supply. This is almost a routine matter when the supply bill has not been passed before the end of the fiscal year. I took occasion to check up, and I find that in 1934-35 interim supply was asked for by Mr. Rhodes on March 29; in 1935-36 Mr. Dunning asked for it on March 27, and in 1936-37 it was asked for on March 3. I was not here at that time and I do not know the peculiar circumstances that governed. With the undertaking the minister has given, we shall be glad to agree to this motion.

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

INTERIM SUPPLY BILL

Mr. ILSLEY moved:

Resolved, that a sum not exceeding $37,725,207.65, being one-sixth of the amount of each of the several items to be voted, as set forth in the main estimates for the fiscal year ending 31st March, 1942, 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, 1942.

Motion agreed to.

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee of ways and means.

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

Mr. ILSLEY moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1942, the sum of $37,725,207.65 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 22, for granting to his majesty certain sums of money for the public service for the financial year ending the 31st March, 1942.

Motion agreed to, bill read the first and second times, considered in committee, read the third time and passed.

WAR APPROPRIATION BILL

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

Hon. J. L. ILSLEY (Minister of Finance) moved the third reading of Bill No. 19, for granting to his majesty aid for national defence and security.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, this bill is entitled "An act for granting to his majesty aid for national defence and security", and I should like to make a few remarks with respect to the announcement that was made on behalf of the Prime Minister yesterday by the Minister of Mines and Resources (Mr. Crerar) on a subject matter that is akin at least to the defence of Canada.

Yesterday the Minister of Mines and Resources during the Prime Minister's absence tabled an exchange of notes between Canada and the United States respecting the Rush-Bagot agreement of 1817, which if formally given effect to will serve, first, as a reinterpretation of the agreement and, second, pave the way for an extension of its principles, the intent being, as I understand the position, to use the agreement as a vehicle to provide and furnish mutual defence against the common enemy.

Stated in these terms, I cannot at first blush see any vital objection, but I would hope that at a later and appropriate date the arrangement visualized by the exchange of notes be formally ratified or otherwise. I am of opinion that neither the constitution of Canada nor the constitution of the United States visualizes international arrangements merely by executive action.

It will come as a surprise, I think, to many people both in Canada and in the United States to learn that the Rush-Bagot agreement—or arrangement, as it is sometimes termed—was not technically a treaty within the meaning of that term.

Notwithstanding the descriptive verbiage used, I think it will be clear that, so far as the United States is concerned, that nation at the time the arrangement was made looked upon the matter as a treaty, even though not in the technical form of a treaty, and not as an arrangement entered into by mere executive action of the acting secretary of state of the United States, acting under presidential direction.

Complete and convincing evidence of this statement is found in the fact that, prior to the 28th of April, 1818, the senate of the United States approved and ratified the arrangement and recommended that it should be carried into effect, and after such approval and ratification, the then President of the United States, James Monroe, issued a proclamation setting forth the terms of the arrangement, and publishing and declaring that the arrangement and every stipulation thereof had been "duly entered into, concluded, and is of full force and effect."

There is evidence also that the arrangement had received the sanction of His Royal Highness the Prince Regent, acting in the name and on behalf of His Britannic Majesty.

This action, on the part of the Senate and President of the United States, and of the British Sovereign, gave the arrangement the full force and effect of an international treaty, and I believe it has always been so considered in international law, notwithstanding it may have been designated as an "arrangement".

The best, in fact the only explanation I have been able to find for the approval and ratification of the Senate of the United States and

the publication and declaration of the president in confirmation, is found in an able and interesting address delivered by Sir Charles Fitzpatrick before the Lawyers club of New York city on March 17th, 1917, while he was still Chief Justice of Canada.

In that speech, full of historical interest, after detailing the proposal in 1815 of John Quincy Adams, then Secretary of State, to Lord Castlereagh for mutual disarmament on the great lakes, and the subsequent negotiations leading up to the exchange of notes, later ratified and approved by the senate and proclaimed by the president, Sir Charles made the following observations:

> It was only some months later that doubt arose as to the validity of the agreement, as to whether it so far partook of the nature of a foreign treaty as to require the assent of the United States senate. It was thought better to avoid all possible complications on this score by bringing the matter formally before the senate. This was done in due course and, on April 16, 1818, the senate "approved and consented", and a few days later, the terms of the agreement were formally proclaimed by President Monroe.

In the words of Sir Charles on that occasion:

> It would be hard to overrate the blessings that that agreement has been to both parties. It has been the keynote of their policy of peace for a hundred years, and at the same time has happily influenced the attitude of both governments towards the whole question of fortifications. And what an object lesson has been here for the rest of the civilized world. The longest frontier on the earth's surface has at the same time been the most defenceless—and the most safe.

May we all reecho those sentiments and pray to God that the position thus created and maintained, in spirit at least, down to this day will be maintained forevermore.

I am a little bit surprised that the announcement made on Monday was not communicated to the people of Canada and the United States sooner, the last note from the United States Minister to Canada to Doctor Skelton being delivered as long ago as November 2 last.

One might imagine, however, that it is given publicity now because of the recently announced agreement between the two countries with respect to the St. Lawrence waterway development.

Be that as it may, I prefer to believe that the new arrangement is based on a far greater and higher thesis, namely, that it may be used as a vehicle to furnish mutual defence against a common enemy. And if that be the basis, it will be accepted gladly by all those who, in common with myself and those who surround me, believe in an "all-out effort" against the common enemy of democracy and civilization.

The fundamental underlying principle of the original agreement was that no naval armaments, in the light of the modern conception of that term, should be maintained by either party on the great lakes.

Because of the outbreak of war and the valuable aid to be given by our great southern neighbour on the side and on the part of Britain and Canada, as I interpret the position we are being asked informally to agree to the extension and interpretation of the original agreement in the light of present circumstances, without intending to rescind the original agreement and without prejudice to the underlying principles.

Naval armaments are not to be maintained by either country in the great lakes area.

But the proposals do recognize and permit the right of either country to install armaments on naval vessels constructed in the great lakes area, provided:

(a) That such vessels are not intended for service on the great lakes;

(b) That prior to construction full information be furnished by the one government to the other;

(c) That such armaments are placed in such condition as to be incapable of use while the vessels remain in the great lakes; and

(d) That such vessels be promptly removed from the area upon completion.

In time of peace, I imagine neither country would respect such extension and interpretation. It would disturb a status quo in existence for over 130 years.

But we are living in a changing world. We are confronted with the greatest crisis in history. The proposals do not impinge upon our sovereign rights. I believe they will enure to the benefit of the common purpose against a common peril; and on that theory, if on no other, I am prepared to accept them.

I do so, however, with one reserve. In dealing with a great nation such as the United States—or, indeed, with any nation—it is a sound principle, I submit, to expect that in matters of international agreement some formality binding in its character shall be adopted. The proposals before us to-day, it is true, are in the form of informal notes between representatives of the two nations, but I do not conceive that this is a satisfactory procedure and that executive action alone is sufficient.

In my view, there should be some ratification of the new position. I think that it should be in the form of a treaty, because I believe that the Rush-Bagot agreement is, in law, a treaty although not so designated, and because I believe that that is the method by which nations enter into binding and lasting agreements.

I think we should preserve formality in entering into arrangements with any foreign country.

Mr. MARTIN: As a matter of curiosity, who signed the Rush-Bagot agreement?

Mr. HANSON (York-Sunbury): Mr. Richard Rush was, I believe, the acting secretary of state of the United States, and Sir Charles Bagot was the British Minister to Washington.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should not like the debate on the war appropriation bill to conclude without saying a few words concerning its significance. I believe that what I have to say can be said before six o'clock, if my hon. friend the leader of the opposition (Mr. Hanson) will pardon me for not following him at the moment with respect to what he has said concerning the Rush-Bagot agreement. What I have to say will not provoke further debate but will, I believe, appeal to the pride of hon. members in all parts of the house.

More than a month has now elapsed since the resolution was introduced on which the war appropriation bill is based. During that time, discussion on the resolution and the bill have, with the exception of a few days, occupied the almost continuous attention of hon. members. I am not objecting to what there has been in the way of consideration in detail of the various aspects of Canada's war effort. That, I believe, has been all to the good. I feel, however, that the detailed discussion, and the many by-paths explored, may have tended to obscure from the house, and certainly from the country, the tremendous significance of our war appropriation.

We are enacting a measure which pledges Canada to the most stupendous effort in our national history. I feel we should not allow the bill to receive its third reading in this House of Commons without giving the fullest possible credit to those who have made the measure possible, and who are bearing the burden of the tremendous task which it imposes, namely, the people of Canada.

There has been far too great a tendency, both in the house and in the press, to speak of what we are doing as the government's war effort. We all know it is something far greater than that; it is Canada's war effort. What is more, it is an effort which is wholly worthy of Canada, and of which every Canadian is entitled to be justly proud.

As a tribute to the people, whom all of us in this chamber represent, I am going to try this afternoon to put that effort in its true perspective; to give a broad picture of what Canada is already doing, and what we have undertaken to do in the coming year.

[Mr. R. B. Hanson.]

It is only eighteen months since we entered the war. Yet, in that year and a half, our armed forces have grown to the point where to-day, in the three services, there are a quarter of a million men on active service. I might add that this figure does not include over 175,000 additional men, enrolled in the reserve army, who are subject to call for the defence of Canada.

A Canadian Army Corps, Canadian destroyers, and Canadian air squadrons are sharing in the defence of Britain. Our navy and our air force are doing their part to keep open the vital sea lanes of the north Atlantic Canadian garrisons in Iceland, Newfoundland and the West Indies are on guard in the outposts of this continent. Canadian engineers are strengthening the defences of Gibraltar. In recent months we have also sent overseas, hundreds of radio mechanics for vital defence duties with the Royal Air Force.

From the Atlantic to the Pacific, Canada to-day is throbbing with military activity. Soldiers, sailors and airmen are cooperating in the defence of our ports, our coasts and our coastal waters. The Canadian navy, which had only fifteen ships when war broke out, now has over 180. Nearly sixty military training camps are distributed across the country. In these camps, the soldiers in our active army, and the young men called up under the National Resources Mobilization Act to prepare them for the defence of Canada, are now training side by side. Some ninety establishments of the British commonwealth air training plan are already in operation. In addition, facilities are being provided for training schools of the Royal Air Force under the jurisdiction of Canada's air ministry.

It is for the maintenance and expansion of this military programme that the present appropriation is being voted. The Minister of Finance has already told the house that he expects the appropriation to be exceeded, and that his best estimate at present is that, in the next fiscal year, Canada's direct war effort will cost the Canadian people $1,450,000,000.

But Canada has a twofold task in this war. Not only are we sharing as a full partner in the struggle; not only are we, with but one important exception, ourselves bearing the whole cost of equipping, supplying and maintaining our military, naval and air forces at home and overseas, giving of life as well as of treasure, but we are also helping to supply to Britain equipment, munitions and the other essentials of war. The exception I have referred to is this: Canada is paying the entire cost of three air squadrons already in Britain. But as Canada is bearing the major portion of the cost of the British commonwealth air

training plan, the United Kingdom, on its part, will maintain in the field Canadian pilots and airmen graduated from the plan. The number of Canadian pilots and airmen on active service overseas is steadily increasing month by month. The flow of trained aircrews from the plan will soon be measured by thousands.

What I have said up to the present relates to Canada's outright national contribution as a belligerent. It is being paid for in full by the Canadian people. It is not something that has been leased to Britain. It is not something that is being lent to Britain. It is a direct contribution by Canada to the cause of freedom. It represents the freewill offering which our country began to make over a year and a half ago, when this parliament decided that Canada should enter the war at the side of Britain. It is a contribution which we are making to-day, and which we will continue to make.

Canada, as I have indicated, is also a major source of supply for Britain. In common with the United States, Canada is an arsenal of democracy. Since the war began, the British and Canadian governments have undertaken capital advances of over $380,000,000 for the expansion and equipment of Canadian industry. New plants have been built; old plants extended to make the complex instruments of war, many of which were never before made in this country. The creation of a vast new war industry has taken time. Occasionally impatience has been shown at delays. The same impatience has been evidenced elsewhere—even in Britain. I might say that none in Canada are more impatient of delays than members of the government itself.

I should like to remind hon. members of what Mr. Churchill said not long ago in the British house on this very subject. Here are his words:

> It is not possible to make a warship go to sea, and fight against the enemy, until fires have been lighted, and the water in the boilers changed from cold to tepid, to warm to hot. The steam is generated and the vast power is given. While this is going on there is no use rushing about uttering alarming cries.

I might add that it is equally useless to utter alarming cries about any aspect of war production. Careful critical scrutiny is of great aid to the government, and is appreciated by the country. But general charges, doubts or suspicions serve only to belittle the country's effort and to discredit Canada in the eyes of the world.

We have every right to take pride in our industrial expansion. Canadian labour and Canadian industry have responded splendidly. We have been building an aircraft industry from the ground up. We have already built over fifty small naval vessels and more are being built. We are turning out motor transport vehicles at the rate of hundreds a day. We are producing universal carriers, Bren and Colt-Browning machine guns, trench mortars, bombs for aircraft, great quantities of shells and ammunition, a wide range of chemicals, electrical apparatus and radio equipment, many other types of essential manufactured goods, large quantities of base metals and alloys, and an increased output of steel. We will shortly begin to produce field guns, and before the year ends, naval guns, anti-aircraft and anti-tank guns and Lee-Enfield rifles. The production of tanks and of cargo vessels is already under way. Plans are also being made to build destroyers in Canada. Such are the highlights of our programme of war production.

The expansion of production has already been reflected in the absorption of between 330,000 and 350,000 additional men in industrial employment since the outbreak of war. Nor must it be forgotten that the armed forces and industry will make additional demands estimated at over 300,000 men in the coming year. Skilled labour and specialized plant facilities will have to be increasingly diverted to the production of vital war supplies. All along the line, Canadian industry has been geared up to make a maximum contribution to the prosecution of the war.

Perhaps the best illustration I can give of the magnitude of the indirect contribution by Canada to the war is to say that, over and above what is being appropriated for our direct war effort, we expect, during the next twelve months, to send to Britain approximately $1,500,000,000 worth of munitions of war, raw materials and agricultural products. This total is larger than was originally estimated, but it has been arrived at as the result of a careful re-examination of the figures relating to British orders already placed, or to be placed, in Canada, and the probable production of our war plants and other Canadian industries.

It is only at this point, when we have fully realized the magnitude of Canada's direct and indirect contributions to the war, that, with justice to the Canadian people, comparisons can be made of the financial arrangements between Britain and Canada, and the arrangements between Britain and the United States.

Britain, of course, cannot herself find all the necessary dollars with which to pay for her enormous purchases of Canadian products. For the new fiscal year, Britain's deficit in her balance of payments with Canada is now estimated at over $1,150,000,000. Canada must provide Britain with the Canadian dollars to meet this deficit, either by purchasing Canadian securities now held in Britain, or by the accumulation of sterling balances.

In this connection, it may interest the house to know that from September 15, 1939, to the end of February this year, the United Kingdom's deficit with Canada amounted to approximately $737,000,000. Of this deficit, Canada provided 45 per cent by the repatriation of securities, and 21 per cent by the accumulation of sterling balances in London, while only 34 per cent was met by the transfer of gold. During the six months' period ending February 28 last, Britain's deficit with us was $359,000,000, and Canada financed the whole of that deficit, except for $65,000,000 which was covered by gold shipments. Since the early part of December, no gold has been received from the United Kingdom.

In order to facilitate Canadian purchases in the United States which are essential to keep up Canadian war production, Britain, we hope, will continue to be able to make up a part of her deficit by providing Canada with some gold, or United States dollars. I wish, however, to emphasize the fact that whatever gold, or United States exchange, Britain makes available to Canada is for one purpose only, and that purpose is to enable Canada to make payments to the United States for war purchases. The gold, or its equivalent, assists Canada in meeting our exchange deficit with the United States, but it does not decrease by one dollar the net amount which must be raised from the Canadian people in taxes and loans.

To meet the total burden upon the Canadian people of our direct war effort and our indirect effort in the form of financial assistance to the United Kingdom during the next fiscal year will, according to the best estimates which can now be made, require almost 44 per cent of the national income. I may add that, as a result of the recent investigations to which I have referred, and which took into account the effect of the increased estimates of British purchases in Canada, and our own expanded war programme, the estimate of Canada's gross national income in the new fiscal year has been raised to $5,950,000,000.

For the benefit of those, either in this or in other countries, who have not a due appreciation of the magnitude of Canada's war effort, or who may have been misled by comparisons between our war effort and what has been said concerning the lease-lend programme of the United States, I am going to translate a few of these figures into comparable American terms. I understand the national income of the United States this year is expected to exceed 80 billion dollars. On that basis the estimated war expenditure, direct and indirect of Canada, in 1941-42, would be equivalent to an expenditure by the United States, in a single year, of almost 35 billion dollars. In providing the Canadian dollars necessary to meet the deficit in Britain's balance of payments with Canada next year, the Canadian people will be rendering financial assistance to Britain which would be equivalent, in comparable American terms, to something over 15 billion dollars a year.

These figures may help members of parliament and the people of our country to appreciate what Canada is committed to, and what is meant by the statement that, in our opinion, Canada is making the maximum effort of which this country is capable.

But this is merely the financial side. Let me also make the comparison in terms of human lives. Apart from Canada's material contribution, Canada's men are participating in this war. The quarter of a million Canadians on active service would, in terms of the population of the United States, be equivalent to an armed strength in the forces of the United States of over two and three-quarter million men, and this without taking account of a reserve army for home defence.

For the great contribution which the United States is making; for the still greater contribution which it will make, the government and people of Canada have nothing but admiration and gratitude. Since the United States has pledged its strength to a victorious issue we know that the struggle, though hard, will be shorter. But in the enthusiasm of our satisfaction that the United States has resolved to throw the decisive weight of its material aid into the struggle, we as Canadians have no reason to discount the magnitude of the material contribution and the contribution in man power which the people of this dominion are making. It should never be forgotten that Canada is spending not only her treasure but her blood. Our eleven million people have given freely and pledge fully their treasure, their resources and their manhood. Canadians also have reason to be proud of the part which Canada has had in the reconciliation of the English-speaking peoples, the healing of ancient wounds, and the closing of the great schism of the Anglo-Saxon race.

Surely in the light of such a war record, without boasting and without vainglory, we may all take pride in the vision, the unity, the resolution and the achievement of the Canadian people.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I do not propose to-night to speak at any great length, because I covered the ground pretty thoroughly this afternoon. I feel, however, that the amendment moved in committee this afternoon, which was ruled out of order by the chairman, has a considerable amount of merit, and contains a principle which should be decided by the house. I have made an alteration in the amendment moved this afternoon, and I propose to move an amendment in new form, seconded by the hon. member for Vancouver East (Mr. MacInnis):

> That said bill be not now read a third time but that it be referred back to the committee of the whole with instruction that they have power to amend it by striking out all the words after the word "raise" in paragraph 1 of section 4, line 16, and substituting the following therefor:
>
> "under the provisions of the Consolidated Revenue and Audit Act, 1931, by way of interest-free loans to be levied according to ability to subscribe such sum or sums of money, not exceeding in the whole the sum of one billion three hundred million dollars as may be required for the purposes of this act."
>
> and that paragraph 2 of section 4, be amended by the deletion in line 26, of the words "and the interest thereon."

Mr. MACKENZIE (Vancouver Centre): Is that the same amendment as was moved this afternoon?

Mr. COLDWELL: The same in substance, although there is a slight alteration in the wording.

I regret very much that I was unavoidably absent this afternoon when the hon. member for Lethbridge (Mr. Blackmore) spoke, and therefore I shall leave to someone else the duty of saying something regarding his remarks. Neither do I propose to discuss the point of order raised by the chairman's ruling, because I do not think that would be proper at this particular time.

As I said, however, I believe that the people of Canada who are making great sacrifices in connection with the financing of the war feel that we must endeavour to approach something of equality of sacrifice. As I said this afternoon, there are large accumulations of wealth in the country which, in our opinion, should at least be lent, free of interest, to the government during the progress of the war, in order that the country may not be overburdened with interest during the prosecution of this struggle.

With those few words I place the amendment to section 4 before the house for its consideration.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, this afternoon I had intended making a few remarks when the amendment was moved in committee, but the ruling of the chair made that impossible. However, before submitting the reasons why in my opinion this amendment should be accepted by the house, may I make it clear that in proposing the amendment we are not opposing the appropriation. We merely propose an alternative way by which the money may be raised, or at least that part of it which will be raised by way of loan.

I believe the house is unanimously of opinion that the appropriation should be passed—and more, as occasion demands. We are unanimous in that regard because we all realize that we are fighting nations which have glorified war and which have made deceit, force, fear and terror the methods by which they negotiate with other countries.

Mr. REID: Plus brutality.

Mr. MacINNIS: Yes. There can be no peace for us or for the world until victory shall crown the efforts of those who desire that the democratic way of life and the rule of law shall prevail. I am satisfied that all hon. members in this group agree wholeheartedly with the sentiments I have just expressed. If there is any difference of opinion in the house, it is as to the most socially desirable method of financing our war effort. There are at least two definite reasons why our method of floating war loans should be accepted. First, it is the psychologically desirable method; second, it is the method economically desirable. I shall take only a few moments to support those two reasons.

It is psychologically desirable because, whether we like it or not, or whether we accept it or not, we are living in a class society, and there is a strong feeling in large sections of the country that only one class is being asked to-day to do the sacrificing. In other words, acceptance of the method we propose would go a long way toward bringing about equality of sacrifice. It may be answered that we have that now, that we are all making sacrifices, and that we are all in the front line. In the language of the street, I would say that that is all hooey. In Canada we have not even begun to make sacrifices—that is, except a very small fraction of the population. So far the only people who have made sacrifices are, first, the men who have enlisted and put their lives at the disposal of the country and, second, those who are in receipt of very small incomes and find their standard of living being lowered because of the increase in prices which has already taken place. These people with small incomes have a hard time to get along, but they are anxious

to do whatever they can. But they see other people going on as before just as though we were not engaged in a life-and-death struggle.

Let me give two or three examples of what I have in mind. I gave one example to the house some days ago. A woman in Regina in receipt of an income of $20 a month agreed to buy one war savings certificate a month. She pointed out to the young woman who solicited her subscription that to buy the certificate she would have to forgo one meal a day. The Montreal *Gazette,* that strong champion of things as they are, referred to this as a gracious gesture.

I should like to give another illustration, and if the old lady's act was a gracious one, this one is disgraceful. A few days ago some one sent me a page from the Vancouver *Sun* containing an architect's drawing of a beautiful home being built for a man in Vancouver, at an estimated cost of $100,000. It is to be 150 feet long and thirty or forty feet wide and will contain fifteen bedrooms; the basement is to contain a number of rooms for entertainment. There will be a room for moving pictures as well as rooms for other kinds of games. If the sacrifice made by the old lady in Regina was a gracious one, the lack of sacrifice on the part of the man building this home is a disgraceful example at a time when we are all said to be in the front line. In order that things like this may not continue, we suggest that people who can afford to build $100,000 homes should be compelled to subscribe to non-interest bearing war bonds.

I noticed the other day that Doctor Stapleford, director of voluntary services in the Department of National War Services, was advising Canadians to be patriotic, to be proud to wear an old suit of clothes or to drive an old car. If it is patriotic to wear an old suit of clothes, then I have about the most patriotic people in Canada in my constituency. They nearly all wear old clothes because they cannot buy new ones, and most of them cannot afford to buy even an old car. The same can be said of the great majority of people in all constituencies. This is another reason why we should compel people to subscribe to the financing of the war effort according to their ability.

Last month we concluded a drive to get people to subscribe to war savings certificates. I noticed that as soon as the campaign was over, the chairman went on a vacation to the Bahamas or Bermuda in order to get over the effects of his strenuous work. But hundreds of thousands of those who subscribed for war savings certificates have to count every solitary cent. As an unemployed man in the old country said to a government agent some time ago, even a pair of shoe-laces is important to an unemployed man. He said he had strings in his shoes instead of laces. We must remember that almost every man, woman or child beyond a certain age is able to read, and they know what is going on. They have nearly all the sources of information that those in authority have. They cannot be fooled any longer that there is equality of sacrifice when in fact there is no equality of sacrifice.

I have in my hand a compilation of the debt of Canada which was prepared by the former member for Huron North, Mr. Deachman, who I understand is now director of publicity for the Department of Munitions and Supply. I should like to draw these figures to the attention of the house in order that hon. members may understand what we have in mind when we advocate the issuing of interest-free bonds. Mr. Deachman showed that the direct expenditures of the last war were $1,698,619,000. Since the war the cost of pensions has amounted to $770,563,000. The cost of soldiers' civil reestablishment has been $258,750,000. The cost of maintaining war graves has been $4,811,000. The cost of administration of soldiers' settlement has been $28,055,000 and the estimated loss on this work is $100,000,000. He then shows that the amount paid in interest from 1915, or when the bonds were first floated, to the end of 1938, was $2,153,465,000, and we still have the principal of $1,698,619,000 to pay.

I receive dozens of letters from widows of veterans complaining that their pensions were stopped when their husbands died. Here is the situation. A man enlisted in the last war and served overseas for whatever time was necessary. He may have been wounded or his health may have been impaired so that on discharge he was granted a pension. He dies, and the pension stops.

Another man stayed at home. He bought Victory bonds and drew the interest on them from the day he bought them until he died, and after he had passed away the interest on the bonds continued to be paid to his widow. Surely, when we are asking people to give their lives in this war, is it too much to ask people to give their money?

The hon. member for Lethbridge (Mr. Blackmore) in his address this afternoon said that we would be taking this money away from people. Not at all. We are asking people to lend their money to the country because the country needs it; and when the war is over, if we are in a position to pay the principal back—and this applies, of course, whether the loan is with interest or without—the lender will be repaid what he loaned, without interest.

We are not taking anything away from him. All we ask is that every one of us should be willing to give what we have in order that we may help to win this war. We should be willing to do that or we are not sincere when we say that we want to win the war.

The hon. member for Lethbridge this afternoon made a number of observations that seemed curious to me. For example, he called this kind of compulsory loan more subversive than the ordinary way of raising money. I do not believe that even the present way of raising money: loans with interest is subversive. I am, however, quite satisfied that there is nothing subversive about a compulsory non-interest-bearing loan. He went on to say he was of opinion that already the surplus accumulations of money in this country had been absorbed by taxation and through the war loans already floated. The hon. gentleman is not watching the accumulations of money as closely as he should be, because the returns made by the chartered banks show that on December 31, 1940, savings deposits in the chartered banks amounted to $1,641,000,000 in round figures. One month later, by January 31, savings deposits had increased to $1,668,000,000, or an increase of over $27,000,000 in savings deposits in one month. It seems to me that there is no excuse for an hon. member not knowing these facts.

As I pointed out when the resolution on which this bill is based was under discussion, war economy changes the normal situation. While in ordinary peace time, at any time between, say 1929 and 1939, it might have been desirable to have an issue of money, it is not desirable at the present time, and we might as well get that fact clear in our minds. The more we get our war industries into production, the greater the number of people who go into war industries, and the greater the number of men who join the armed forces, the more imperative it will be for us to increase our taxation enormously or to raise large sums of money by borrowing. An hon. member beside me asks me to explain why. The reason is that by the production of war supplies we are putting purchasing power into circulation, and we are also putting money into circulation for the ordinary consumers' goods, but only the consumers' goods appear on the market. The war supplies are taken by the government and they do not appear on the market in the ordinary way. Consequently, the more war production we have, the greater the competition there will be for the more limited amount of the ordinary consumable goods on the market, and prices will therefore rise.

Whether we like it or not, there is no way of dealing with that situation except by taxation at a terrific rate—and remember that taxation at the necessary rate would be confiscation—or by borrowing. We are asking that the borrowing be without interest so that when this war is over, we shall not have to pay over the next twenty-five years more in interest than the principal amounted to in the first place, and then have the principal to pay. In twenty years at five per cent each year we can pay off the whole of any loan, but we can never pay off the debts contracted in this war if we follow the old method. I believe it would be not only more sound economically but also more honest to do our war borrowing in the way we propose.

I was surprised to hear the hon. member for Lethbridge opposing our amendment because at the beginning of the war he and his party proposed total conscription: man-power, money and property. We are not by this amendment proposing conscription of money in the full sense of the term, but our proposal is a step in that direction and to that extent it should satisfy the hon. member for Lethbridge.

A great deal more could be said on this question, but I do not wish to detain the house further. I think I have proved, Mr. Speaker, that both from the point of view of sound economics and also for psychological reasons it is desirable that the government should offer compulsory non-interest-bearing loans.

Mr. SPEAKER: Perhaps in view of what took place this afternoon in connection with the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell), I should say something with regard to the amendment which is now proposed.

The amendment as now proposed differs materially from the amendment which was proposed this afternoon in that the word "compulsory" has been deleted, and the position now is that an amendment has been moved that loans shall be issued without interest. If hon. members will refer to section 4 of the bill, they will find that it reads:

> The governor in council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by parliament, by any act heretofore passed, raise by way of loan, under the provisions of the Consolidated Revenue and Audit Act, 1931—

And so on. The amendment moved applies to subsection 1 of section 4 of the bill, but proposes an alternative method of raising the money. The purpose of the bill and the purpose of the amendment are the raising of money—in the case of the bill, with interest;

in the case of the amendment, without. In Beauchesne's Parliamentary Rules and Forms, citation 552, it is provided:

Though it is the function of the committee of ways and means to impose rather than to repeal taxes, examples of the repeal of taxation effected in this committee are to be found upon the journals. Proposals for the variation or modification of taxation can therefore be made in the committee; but these proposals must be grafted upon the financial scheme submitted by the government, and must not affect the balance of ways and means voted for the service of the year. Amendments, therefore, can be proposed to substitute another tax, of equivalent amount, for that proposed by the government, as, for instance, a proposal to substitute probate and legacy duty on real property as an alternative for an inhabited house duty, the necessity of new taxation, to that extent, being already declared on behalf of the crown.

In the citation which I have quoted, the pregnant words are:

. . . but these proposals must be grafted upon the financial scheme submitted by the government. . . .

I point out to the house that the financial scheme of the government is not now before the house. What we have is an ordinary bill for the raising of money; and in the reference at the beginning, mention is made as to the function of the committee of ways and means. This is not a committee of ways and means; it is a committee of the whole; and therefore, when exception is taken to any proposals that they must be grafted upon the financial scheme submitted by the government, it is my judgment on this amendment that we are not dealing with the financial system of the government.

In May, thirteenth edition, at page 510, it is stated:

As is subsequently explained, the constitutional principle which vests in the crown the sole responsibility of incurring national expenditure, forbids an increase by the commons of a sum demanded on behalf of the crown for the service of the state. This principle, however, is apparently disregarded when the recommendation of the crown is given to a resolution empowering the expenditure of public money which, framed in general terms, places no limitation on the amount of expenditure to be authorized by the resolution. As the resolution sanctions, without any specific limitation, the application of money to be provided by parliament to certain purposes, when the clauses in a bill founded upon such a resolution are before the committee, the freedom of action sanctioned by that resolution can be exercised. The committee is not bound by the terms of the provisions which the ministers of the crown have inserted in the bill; and any member may propose to increase the grants specified in these clauses or to extend the application of the provisions of the bill, whatever may be the cost resulting therefrom, so long as the power conferred by the royal recommendation is not exceeded. Acting on this principle, when, in 1812, a committee was considering a message from the prince regent recommending, in general terms, provision to be made for the family of Mr. Spencer Perceval, amendments were permitted for increasing the provision proposed by the ministers. This practice has been supported by rulings from the chair, though, on the last occasion, not without remarks which deserve careful consideration.

The principle that the sanction of the crown must be given to every grant of money drawn from the public revenue, applies equally to the taxation levied to provide that revenue. No motion can therefore be made to impose a tax, save by a minister of the crown, unless such tax be in substitution, by way of equivalent, for taxation at that moment submitted to the consideration of parliament.

And, on page 512 of the same edition:

The house can make amendments which diminish the amount of a reduction of taxation, or postpone the day when the reduction takes place, although the amendments may increase to that extent the charges proposed to be levied upon the people. So long as an existing tax is not increased, any modification of the proposed reduction may be introduced in the committee on the bill, and is regarded as a question, not for increasing the charge upon the people, but for the determining to what extent such charge shall be reduced.

Further on, the author gives another illustration:

As a final illustration of the way in which the reduction of public charges is dealt with, it may be mentioned that, as a "drawback" is a fiscal arrangement made to facilitate the exportation of goods liable to excise duties, and is so far an alleviation of taxation, a provision creating a "drawback" can be considered without recommendation from the crown, or a preliminary committee resolution.

While it is true that none of the illustrations given are directly apropos of the question which is now before the house, yet the principle is the same and the fact is that if the amendment carries and becomes a part of the bill, the charge against the country will be lessened rather than increased. As I have already said, this is not the financial scheme of the government, in that we are not dealing with the budget, which really embodies the financial scheme of the government. In my judgment, therefore, the amendment is in order.

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, before the question is put, I should like to make a few observations.

The amendment now before the house differs from the amendment proposed this afternoon and also the amendments or proposals suggested previously by the Cooperative Commonwealth Federation group, in that it leaves out the element of compulsion. That is, nominally it leaves out the element of compulsion, but in reality that element is present. It is quite obvious, I believe, to any hon. member who gives the matter even slight consideration that if we were to attempt to borrow $1,300,000,000, or even a small part

of that sum, from the people of Canada without agreeing to pay interest on that loan, we would not get the money on a voluntary basis. It would be necessary to levy the loan. As a matter of fact, the word "levy" or "levied" is used in the proposed amendment. The amendment is that:

> . . . under the provisions of the Consolidated Revenue and Audit Act, 1931, by way of interest-free loans to be levied according to ability to subscribe such sum or sums of money, not exceeding in the whole the sum of one billion, three hundred million dollars as may be required for the purposes of this act.

Apparently what is proposed is the infusion into a voluntary loaning system of a compulsory loaning system, a system of forced loans. The first observation which I should like to make is that the two systems cannot exist side by side. Just as, I think, Lincoln said that a nation cannot exist half slave and half free, so I am sure we could not have here in Canada a system of loaning which was half compulsory and half voluntary. The effect of announcing that a substantial sum of money was going to be levied upon the people by way of forced loan would be that it would be practically useless for us to appeal for voluntary loans, because all the enthusiasm, all that spirit of democratic cooperation to which we appeal, and appeal very successfully at the present time, would dry up.

Mr. MacINNIS: Only for raising money, but not for people to fight.

Mr. ILSLEY: I do not want to be dragged off of my line of argument.

Mr. MacINNIS: That is not dragging you off; it is setting you right.

Mr. ILSLEY: The temptation is too great and I am going to be drawn away from my line of argument just to deal with that observation. The hon. gentleman who has just interrupted has frequently said that this government is fond of conscripting men but will not conscript wealth. I heard him make an eloquent appeal on that point here last November or December. I wish to examine it for one minute. It is true that we have conscription of men in this country, but it is conscription of men to a very limited extent. If one were able to measure the extent of the conscription of men in Canada in terms of the percentage of total conscription, one would find that the conscription of human beings is far less than the percentage of conscription of wealth. Let me adduce some figures in support of that.

I believe I told the house the other day about the amount of money we are taking in taxation, which is real conscription of wealth, because there is then no obligation to repay, as my hon. friends think there should be, apparently, to a larger extent than I think there should be.

Mr. MacINNIS: All right, accept the amendment, if that is true. We will go part of the way with you.

Mr. ILSLEY: The amendment is not to levy increased taxes but to make forced loans, which is a very different matter. Let me, however, come back to the statement I made, that there is a very great degree of conscription of wealth in Canada. We are now taxing the people of the dominion at the rate of about $900,000,000 a year, and we shall be taxing them in the next fiscal year at the rate of something over $1,000,000,000 a year.

Mr. HOMUTH: What percentage of the national income is that?

Mr. ILSLEY: That of itself is about one-fifth at the present time. But I want to give some of the rates and the amounts we collect. The hon. gentleman says we leave wealth alone but not human beings—we take them compulsorily and make them do our jobs for us, but we leave wealth alone; we do not touch wealth. May I point out that we have one of the most steeply graduated systems of taxation in the world, much more so in the higher incomes than has been the situation in the United Kingdom all through the years. I am not familiar with recent changes.

Let us take incomes of from $20,000 to $500,000, because these are the people whom my hon. friends are after, if I understand them rightly. On an income of $20,000, under present rates, the taxpayer who is resident in British Columbia pays, in provincial and dominion taxes, $8,895. In Ontario he pays $7,030.90. If his income is $30,000, in British Columbia he pays $15,375, and in Ontario, $12,175. If his income is $50,000, in British Columbia he pays $30,605 and in Ontario $23,721.80. If his income is $75,000, in British Columbia he pays $52,060, and in Ontario, $39,561.55. If his income is $100,000, in British Columbia he pays $74,515, and in Ontario, $56,382.20. If his income is $150,000, in British Columbia he pays $121,470, and in Ontario, $92,044. If his income is $200,000, in British Columbia he pays $170,425, and in Ontario, $129,679.75. If his income is $500,000, in British Columbia he pays $492,230, and in Ontario, $381,103.30.

An hon. MEMBER: What about Saskatchewan?

Mr. ILSLEY: I can give the figures for Saskatchewan. I have them here. They will be found in the budget speech of the then Minister of Finance on June 24, 1940, at page

1027 of *Hansard*, setting out a table for all the provinces which have income taxes. To hon. gentlemen who think that we are running the government in the interests of the rich, I would recommend a perusal of that table.

What I was going to say when I was derailed by the interruption is that the blending of the two systems is impossible. We would be driven to a compulsory system. My hon. friends have been talking about inequities and injustices. The essential injustice of the compulsory system is that equity is impossible because of the differing circumstances, differing requirements and differing necessities of persons with the same income.

In so far as equity is possible, in so far as we can determine equitably what each can pay, we determine that when we impose taxation. We impose taxation up to a pretty high level, and above that there will be some persons with a surplus who cannot, and in other instances, persons who should not, devote that surplus to the uses of the government. It might be far more advantageous to the country if they would put that surplus into capital investment and produce goods for war purposes or something of that kind, while alongside them might be another person with the same income whose surplus could not be devoted to that purpose but who should lend his money to the government. That is the reason why a voluntary system of taxation fits in equitably if there is the right spirit in the country, if the people have the right view of the matter, while the voluntary system of lending fits into the taxation system.

My hon. friends gave instances of slackers, men who got money apparently in some way or another in the war and did not show any conscience about it, who indulged in an ostentatious display in the expenditure of that money. These people are not very numerous in this dominion, and they are becoming less numerous with the growth of a proper public opinion. In England the degree to which public opinion has developed is considerable. A few weeks ago I heard Lord Kindersley on the radio, in one of the Sunday afternoon broadcasts in the interests of the war savings campaign, make the statement—I cannot remember his exact words—that public opinion had been developed to such an extent in Great Britain that the blatant spender was a social outcast. That is the state to which opinion will have to be developed in the Dominion of Canada. The compulsion is then the compulsion of public opinion, the pressure of what a man's neighbours think, what people all over the country think. That is the system upon which we are relying, and we have been relying upon it with good results.

I do not believe I finished the thought I was attempting to develop about the impossibility of saying what one person should lend to the government and what another person should. I was dealing with the man with the big income, the man with a great deal of wealth; but when you come to people with small incomes and small amounts of wealth, and undertake to have the government say to them, "You should lend so many dollars to the government"—

Mr. COLDWELL: That is what is done now with the small people; not by the government, but by employers.

Mr. ILSLEY: My hon. friends have said a great deal about employers.

Mr. COLDWELL: Some employers.

Mr. ILSLEY: There may have been some instances in which excessive pressure was exerted, but it must be remembered that in the war savings certificates drive we are not taking money away from people without interest; we are paying three per cent compound interest on the money. I should be much surprised if there were any real injustices in this connection. I think the percentage of cases in which any injustice has been done to any person, rich or poor, in this dominion, in the war savings certificates drive would be infinitesimal. On the contrary, when they have been persuaded to buy war savings certificates, in practically one hundred per cent of the cases they have been persuaded to do something greatly in their own interest as well as in the interest of the country.

As I say, I think it would be perfectly impossible for any government, by any system of compulsion or by any system of exemptions, to get substantial sums in this way with any degree of justice. We could perhaps do it up to a certain level, but if we were to get very large sums such as we get in our loan campaigns it would be impossible to say to Mr. A, "You should lend X dollars to the government," and to Mr. B, "You should lend Y dollars to the government". In one case there might be sickness in the family; there might be demands about which we would know nothing. There might be requirements, obligations a man had to meet, of which the government could have no knowledge, and for which there would be no possible way of making any allowance. That is why the ideal system is to have a healthy state of public opinion, upon which in a democracy one has to depend in order

to get the maximum war effort. That is what we have by our system of voluntary contribution.

I am a little surprised at that group, which is so strong on freedom and liberty, rushing so quickly to compulsion in this important matter. I am always very much interested in the views expressed by both groups in the far corner opposite, and I think if we could take the best views of each group we might have a pretty good policy. For instance, I agree with the hon. member for Vancouver East (Mr. MacInnis) when he says that the creation of substantial sums of new money is a most foolish policy, particularly under present conditions. I also agreed with the leader of the social credit group this afternoon when he said a forced loan would be a bad thing under present conditions. If they would just take the best and discard the worst of the policies that emanate from that corner of the house, I think we might accept those hon. gentlemen as pretty safe guides. Unfortunately there is always a certain admixture of error with a considerable amount of truth in what they have to say.

The compulsion should, I think, be reserved for taxation for the time being. As I say, we are raising large sums by taxation. If it really were to be thought by the public of Canada that this house was to-night considering forced loans—and the government is not considering forced loans—I am afraid the results in the country to-morrow would be fairly serious. Any threat of a compulsory loan would be likely to create considerable uncertainty and fear among many people with small savings but without much understanding of financial matters. Certainly it would result in many small savings deposits being withdrawn from the banks and hoarded in the form of currency, in the hope that thereby they might be hidden and so escape any such conscription of wealth. Such action would be useless and foolish from the point of view of the individual, since in any event there is no question of confiscating bank deposits. It would mean that the owners of these small savings would lose the return on them by refusing to invest them. The well to do, on the other hand, with better sources of information, would not be penalized by any such fears, so any fear of compulsion is apt to work damage on the poor rather than the rich. There is another type of hoarding which might result from fear of compulsory loans; that is, the hoarding of goods by those who might wish to spend their money before the government could commandeer it. This would be just as baseless a fear and as futile a reaction as the hoarding of currency, but it would be much more contrary to the public interest. Any action of this kind would tend to increase the scarcity of labour and materials needed for war purposes.

I think that pretty well sums up the reasons for which I would ask the house to reject this amendment. Something has been said about New Zealand. I am not familiar with the experience of that country, but I do not think they have gone very far with their proposal; at least I cannot find any evidence that they have done so. They took power to levy some compulsory loans in that country, but though I have been trying to find out what they have done I have been unable to get any information, and I doubt if the hon. member for Rosetown-Biggar (Mr. Coldwell) has anything more definite than I have. I should be very much surprised if that plan really has been tried there, or, if it has been tried, if it has been a success.

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, I should like to take just a moment or two before this motion is put. It seems to me that the Minister of Finance (Mr. Ilsley) has put up an excellent straw man in order to knock him down again. In the first place the minister suggests that he is prepared to obtain money by taxation while we are suggesting that money obtained by this method should be given back; and the minister suggests that he wants to take money in much larger quantities than we are prepared to do. Of course he knows that the amendment now before the house would not in any way preclude the levying of taxes. What is suggested is that when all that can be collected out of current income is collected, the remainder must be secured from reserves. That is what we do now. The remainder must be obtained from reserves of wealth, and this motion only suggests that instead of getting that money from reserves by borrowing it at rates of interest, it shall be borrowed without interest, and that the levy shall be made on the principle of ability to pay.

In the second place I wish to point out that the minister has suggested that this government is following a policy of conscripting wealth to a much greater extent than it is conscripting men. I point out first that this conscription has been imposed upon one class to a much greater extent than upon other classes. Economic conscription has been brought to bear upon thousands of men in Canada, particularly unemployed young men and those in the distressed areas of this country, many of whom have flocked into the fighting services not only for patriotic reasons but also because of economic motives. What has the minister to substantiate his claim

that wealth is making its contribution? He quotes some figures which in themselves are fantastic. When the minister talks about incomes of $500,000, he knows very well that last year there were only 483 people in Canada who received incomes of $50,000 to $100,000 and up. That statement is contained in an answer given on March 17 by the Minister of National Revenue (Mr. Gibson) to a question asked by the hon. member for Red Deer (Mr. Shaw). So those people in the $500,000 income bracket, about whom the minister spoke, are simply non-existent.

The important matter, however, is not to read to this house or the country figures showing how much a man pays when he has an income of $100,000. I note just one or two of the figures. I notice, for instance, that, according to the minister, a man in Ontario with an income of $100,000 has to pay $56,000. That is not the important thing. The important thing is that he has $44,000 left. Does the minister suggest that any man who has an income of $44,000 a year, when this country is at war, is making the greatest possible contribution he could make to the winning of this war? At this time we ought not to ask what a man pays in taxes when he has $44,000 a year left to spend. That man does not know anything about conscription of wealth, or anything else.

The amendment now before the house asks for the introduction of two principles: First, that over and above taxes the money which the government must secure from reserves other than current income shall be levied on the basis of ability to pay. We are levying on reserves now; that is why we float loans. In the main they do not come out of current income. Taxes come out of current income, but loans come out of reserves or savings. Voluntary loans, however, are made on the basis that the person with the greatest sense of public duty subscribes. We collect our loans now from the people who have the greatest sense of public duty; and we entirely overlook, and allow to slack—and I use the minister's own expression—that person who has no sense of public duty.

The outstanding principle included in this amendment is that for the first time we shall begin to tax those reserves on the basis of the ability to contribute toward the winning of this war. The second principle is that we shall eliminate the payment of interest, because by the time this war is over, the major part of the bonds having been contributed to a very large extent by a minority of the people, we shall find that we shall have mortgaged Canada for a generation or two to come, and that at the present rate at the end of four years we shall have sold bonds which will be equivalent in value to practically all the farm land in Canada. We shall find that we, our children and our children's children will continue to pay interest to those very people who are now in a position out of their reserves of wealth, apart from their incomes, to subscribe to the government's war effort. We are suggesting that the people who have reserves of wealth shall contribute on the basis of ability to pay, but having in mind that generations after us shall pay back contributions made without having to pay toll and tribute year after year, as we did after the last war.

I should like to close with this observation: The minister has said that if this policy were announced to-night it would cause fear from one end of Canada to the other. I tell the minister I believe it would cause confidence in many parts of Canada. It would cause many of our people to feel for the first time that we are really all in the front line, and that this government is now calling upon every Canadian citizen on the basis of his ability to contribute toward the financing of the war. It would give to the men in the fighting services and to those people across Canada who pay innumerable taxes and are already carrying a great load, a feeling that for the first time the government is calling upon those who have the ability to pay, to shoulder their fair share of the burden of carrying on this war.

Mr. VICTOR QUELCH (Acadia): After listening to the ruling given this afternoon by the chairman, and then listening to the ruling given by Mr. Speaker, and the statement of the Minister of Finance (Mr. Ilsley) that compulsion has been removed, but that it still remains, I am somewhat confused as to what the effect of this amendment really is. I think all must admit that to all intents and purposes it is still the same as it was this afternoon. It is still a compulsory loan measure, and as such I am still most definitely opposed to it.

May I say that I have no objection to the remarks made this afternoon by the hon. member for Rosetown-Biggar (Mr. Coldwell). I agree with practically everything he said. On the other hand, what he said, and the interpretation the government may put upon this amendment would, in my opinion, be two totally different things. John Maynard Keynes advocates compulsory loans, but I am certainly not in line with John Maynard Keynes' proposals. The hon. member for St. Antoine-Westmount (Mr. Abbott) last year spoke concerning compulsory loans. I do not agree with what he advocated. I do say again, however, that what we would have if this amendment carried, would

depend altogether on who interpreted it. And remember, the Cooperative Commonwealth Federation is not in power, so it would not be in a position to interpret it.

If the proposal embodied in the amendment carried, the result would be that by the end of the war large accumulations of bonds would be held by wealthy individuals, and those bonds to a great extent would represent war profits. That is what I am opposed to. I cannot see why we should allow any body of people in this country to accumulate large holdings of bonds which represent nothing more or less than war profits. It merely means that we are not holding to a pay-as-you-go policy.

I repeat the statement I have made before that any persons in this country who can keep their pre-war savings intact, and have a good standard of living during the war should consider themselves indeed lucky if they are not worse off after the war than they were when it started. No one should desire to accumulate a large amount of bonds as a result of war profits, and yet this resolution will mean that very thing. It will mean that the wealthy people in Canada will accumulate tremendous holdings of bonds which represent war profiits.

I know hon. members to my right do not mean that that is what should happen; but this government will have to make the interpretation, not they. For that reason I cannot support the amendment, nor will the group to which I belong lend their support. Let us face the facts as they have been outlined by the minister. I do not remember his exact figures, but I believe he has told us that we shall be spending well over $2,000,000,000. He mentioned the other day that in the past year we had taxed in the neighbourhood of $900,000,000. So by this method we shall have to raise well over a billion dollars, or maybe $1,200,000,000. Does anyone suggest or think for one minute that we can sell enough interest-free bonds to cover that? Does anyone think for one minute that we could, under a compulsory scheme of selling bonds to the people, raise that amount of money without reducing the standard of living of the people of Canada to a very low level? I am sure hon. members must realize that that cannot be done. Whether we adopt the present system the government is following, or whether we adopt compulsory loans or voluntary loans, we have to face the fact that we shall have to have a great degree of monetary expansion, no matter what system is adopted. We have already had expansion to the extent of half a billion dollars. I have no doubt that before the war is over we shall have a billion dollars of monetary expansion.

We are still of the opinion I expressed the other day that to the extent we cannot meet government expenditures by taxation and by war savings certificates, we should use the Bank of Canada. In the amendment to the amendment moved this afternoon by the hon. member for Lethbridge (Mr. Blackmore), we used the expression "interest-free war savings certificates." I believe that the war savings certificates should be interest-free. The minister himself pointed out that the people must be allowed to put aside a little for a rainy day. One of the easiest ways to do that is to give the people the privilege of investing a certain amount of money in war savings certificates so that that money will not be taxed away from them and they will have a small amount put aside for a rainy day after the war. That does not mean for one minute that we should be compelled to pay them interest. We are allowing them to keep a small amount of money, but why should we pay them interest? There is no need to pay interest on our war savings certificates. Therefore I move the following amendment to the amendment:

That the words "to be levied according to ability to subscribe" be struck out and the following substituted therefor, "from the Bank of Canada."

Also that the following words be added after the words "purposes of this act" in the thirteenth line:

"This method to be used only to the extent that government expenditures cannot be met from the receipts of taxation and the sale of interest-free war savings certificates.

I should like to say a few words with regard to the minister's attitude to this proposal. The other day I asked him what objection he would have to such a proposal and he said it would be inflationary. The leader of the opposition (Mr. Hanson) went one step further and said it would be pure inflation. What he meant by that, goodness only knows. In other words, the leader of the opposition says that if you issue one dollar, you have one dollar inflation. Inflation depends entirely upon the relationship between money and goods. You can issue $100,000,000 and not have inflation if at the same time you increase your production by $100,000,000. I want to follow the minister's reasoning. In order to refresh the memory of the house, perhaps I had better read the question I asked the minister and his reply. I asked the minister this:

When we have obtained from the people all the money we consider it wise to take, whether by taxation or by the sale of war savings certificates, and when we deem it necessary to indulge in a form of inflationary borrowing,

why do we not obtain the money from our own bank, the Bank of Canada, instead of from the chartered banks, who will merely create the means of payment?

That is when the minister interjected that it would be inflationary. This is the reason the minister gave for saying that it would be inflationary. He stated that when money is issued by the Bank of Canada, that money eventually finds its way into the cash reserves of the chartered banks; that is to say, the cash reserves of the chartered banks will be increased by that amount. In view of the fact that they are operating on a ten to one basis; they would then be able to expand their loans by ten times the amount of the increased cash reserves. This is exactly the same reason which Mr Dunning gave on previous occasions. What does this really mean? It means that we dare not use the Bank of Canada for fear the chartered banks will expand their loans and thereby bring about inflation. In other words, it proves conclusively that up to date this government has not established effective control over the issue of credit by the chartered banks. Yet time and again we have been told in this house that we have. The former Minister of Finance, Mr. Dunning, told us that we had absolute and effective control over the chartered banks. I should like to quote what the former Minister of Finance said in this regard on February 28, 1938. He said:

> Parliament through instruments which it has created and which are now in operation does control currency and credit in Canada day by day, week by week and month by month.

And yet we dare not issue money through the Bank of Canada for fear the chartered banks will expand their credit. As I say, this shows conclusively that we have not obtained effective control over the issue of credit by the chartered banks. Is it not strange that we should have a national bank and yet not be in a position to use it because we are afraid of the action the chartered banks may take? Surely the first thing to be done, something which ought to have been done long ago, is to establish effective control over the chartered banks. When I spoke on March 20, I outlined three methods by which that control might be effected. I suggested the 100 per cent money system advocated by many leading economists and bankers. I pointed out also that it would not be necessary to go that far, that one could merely increase the cash reserve requirements of the chartered banks to an extent where they would not be able to utilize the new issue of cash for the purpose of expanding their loans. I suggested also that we might buy the shares of the chartered banks.

I maintain that any one of these three methods would give us control of the chartered banks so that we could issue money through the Bank of Canada without any danger whatsoever of the chartered banks increasing their loans. Until we do that, we shall never be in a position to finance the expenditures of this country without debt. That is my main objection, really the only objection I have to the amendment moved by the hon. member for Rosetown-Biggar. It would increase our debt, and I consider that in war time we ought to adopt a really pay-as-you-go policy. No one should desire or hope to benefit materially as a result of the war. I should like to read a statement made by the Prime Minister (Mr. Mackenzie King) on August 2, 1935. He said:

> Until the control of the issue of currency and credit—

Very often the word "credit" is left out.

> —is restored to government and recognized as its most conspicuous and sacred responsibility, all talk of the sovereignty of parliament and of democracy is idle and futile. To regain for the nation what has been lost and to secure a properly constituted national central bank will continue to be a first objective of Liberal effort.

Will anyone dare to suggest for one moment that this objective has been reached when we dare not issue money through the Bank of Canada without fear of the chartered banks creating inflation by expanding loans to ten times the amount of the cash issued by the Bank of Canada? That seems to me to be a rather unfortunate position for this government or this country to find itself in at the present time.

Mr. ILSLEY: Do we not control credit when we refrain from issuing money through the Bank of Canada?

Mr. QUELCH: Yes; but that is saying that we will control credit by removing the basis for credit. That is a negative stand to take. I quote further from the remarks of the Prime Minister as to why this bank was to be established:

> It stands for the immediate establishment of a properly constituted national central bank, to perform the functions of rediscount, and the control of currency issued, considered in terms of public need. A central bank is necessary to determine the supply of currency in relation to the domestic, social and industrial requirements of the Canadian people.

I do not think anyone can maintain that during the past five years credit and currency have been made available in terms of public need, to meet the domestic, social and industrial requirements of the Canadian people. When we had during that period a million

people on relief, a half million people unemployed, can anyone say that currency and credit were made available to meet the social requirements of the Canadian people? I should like to give the house the definition of inflation which was given by a former minister of finance to show that credit could have been issued safely at that time without danger of inflation. The hon. member for Lethbridge said this:

> The minute you get more money in circulation, let me repeat, than enough to do the work of distributing goods and services which are abroad in a country to be distributed, then you have inflation, and not a minute before.

The then Minister of Finance, Mr. Dunning, said that he agreed. No one will suggest that there was enough money in circulation from 1935 to 1939 to exchange the goods and services available at that time. The minister admitted himself in 1939 that it was necessary to have a degree of carefully controlled monetary expansion in order quickly to put people to work, in order quickly to bring industry to full production. The same thing could have been done from 1935 to 1939. Yet every time that we urged the government to issue money through the Bank of Canada we were given the same excuse the minister gave on March 20, that we cannot do it for fear the chartered banks would create inflation by expanding their credit on the basis of the cash issued. This proves conclusively that we have not established effective control over credit. I remember that in the past the Minister of Finance said, when we suggested that $200,000,000 should be issued to build up a national works programme, that the issue of $200,000,000 would not in itself cause inflation; but when the chartered banks acquired that $200,000,000, he said, and expanded it to $2,000,000,000, he was old-fashioned enough to think that would cause inflation. But, Mr. Speaker, if any of the three proposals I have mentioned were adopted, it would be impossible for the chartered banks to expand their loans on that basis.

Now that this subject has again come up for discussion, I wonder whether the Minister of Finance could not give us a better excuse —perhaps I should say reason, but I think I am justified in using the word "excuse"— than the one he gave us the other day, that we cannot use the Bank of Canada because the chartered banks are likely to expand their credit on the basis of the cash issued through the Bank of Canada.

Mr. SPEAKER: With reference to the amendment to the amendment, I would call the attention of the house to section 4, subsection 1, of the bill, which reads:

> The governor in council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by parliament, by any act heretofore passed, raise by way of loan—

And so on. The principle of the bill is contained in that section, which is, a loan to be raised. The amendment to the amendment which is now before the house proposes to raise part loan, and part something else, which is not stated. If this amendment had been brought before the house on the second reading of the bill, when the principle of the bill was adopted, it might not have been out of order, but at this moment in my judgment it is out of order.

The house divided on the amendment (Mr. Coldwell) which was negatived on the following division:

YEAS

Messrs:

Castleden	MacInnis
Coldwell	Nicholson
Douglas (Weyburn)	Nielsen, Mrs.
Gillis	Wright—8.

NAYS

Messrs:

Abbott	Eudes
Adamson	Evans
Anderson	Fair
Authier	Ferland
Aylesworth	Ferron
Bertrand (Laurier)	Fleming
Bertrand (Prescott)	Fontaine
Bertrand (Terrebonne)	Fournier (Maisonneuve-Rosemont)
Black (Cumberland)	Fulford
Black (Yukon)	Furniss
Blackmore	Gardiner
Blair	Gauthier
Bonnier	Gershaw
Boucher	Gibson
Bourget	Gladstone
Bradette	Golding
Cardiff	Goulet
Cardin	Graham
Casgrain	Grant
Casselman	Graydon
Chevrier	Green
Church	Hansell
Claxton	Hanson (Skeena)
Cleaver	Hanson (York-Sunbury)
Cloutier	Harris (Danforth)
Coté	Harris (Grey-Bruce)
Cruickshank	Hazen
d'Anjou	Healy
Davidson	Henderson
Dechene	Hill
Deslauriers	Hlynka
Desmond	Hoblitzell
Donnelly	Homuth
Douglas (Queens)	Howden
Dubois	Hurtubise
Durocher	Ilsley
Edwards	
Emmerson	

REVISED EDITION

Isnor	Marshall
Jackman	Martin
Jaques	Matthews
Jean	Maybank
Johnston (Bow River)	Mayhew
Jutras	Michaud
King, Mackenzie	Mills
Kinley	Mullins
Laflamme	Mutch
Lafontaine	Neill
Lalonde	Nixon
Leader	O'Neill
Leclerc	Parent
Leger	Pinard
Little	Poirier
Lizotte	Pottier
McCann	Purdy
McCuaig	Quelch
McCubbin	Ralston
McCulloch	Reid
MacDiarmid	Rennie
Macdonald	Rhéaume
(Brantford City)	Rickard
Macdonald (Halifax)	Roebuck
Macdonald	Ross (Calgary East)
(Kingston City)	Ross (Hamilton East)
McDonald (Pontiac)	Ross (Moose Jaw)
MacGarry	Ross (St. Paul's)
McGibbon	Rowe
McGregor	Senn
McIlraith	Shaw
McIvor	Sinclair
MacKenzie	Soper
(Lambton-Kent)	Stirling
Mackenzie	Stokes
(Vancouver Centre)	Sylvestre
MacKinnon	Taylor
(Edmonton West)	Telford
MacKinnon	Thauvette
(Kootenay East)	Thorson
McLarty	Tripp
MacLean (Cape Breton	Turgeon
North-Victoria)	Turner
McLean (Simcoe East)	Tustin
Macmillan	Veniot
McNevin	Vien
(Victoria, Ont.)	Ward
McNiven	Warren
(Regina City)	Weir
MacNicol	Whitman
Marier	Winkler—167.

Main motion (Mr. Ilsley) agreed to and bill read the third time and passed.

CITY OF OTTAWA AGREEMENT

AUTHORIZATION OF PAYMENT OF $100,000 FOR THE YEAR ENDING JULY 1, 1941

Hon. P. J. A. CARDIN (Minister of Public Works) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to authorize the Minister of Public Works on behalf of His Majesty to enter into an agreement to pay to the corporation of the city of Ottawa the sum of $100,000 for the year ending July 1, 1941.

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

Mr. CARDIN: This resolution precedes the introduction of a bill providing for the renewal of the agreement between the federal government and the city of Ottawa by which the federal government pays to the city the sum of $100,000 as compensation for water used for sprinkling purposes in parks and also for fire protection.

A number of years ago, as hon. members will recall, the city of Ottawa made a claim against the federal government on the ground that a number of properties had been taken over by the government, thus depriving the city of the taxes previously imposed upon these private properties. Several points of discussion were raised, but finally, after negotiation, an agreement was reached, I believe, about the year 1920. By that agreement the city was to be paid $75,000 a year for the services to which I have referred. A few years afterwards the agreement was extended for a period of five years on the understanding that the $75,000 would be increased to $100,000 a year. That agreement was in force up to the year 1930. Since 1930 it has been extended every year by a bill similar to the one which will be introduced if this resolution carries.

I do not know that I can add very much more by way of explanation. This is an old procedure which has been followed every year. Some people might suggest that it was about time we made an agreement which would last for more than one year, but that would reopen all the questions which were raised when the first agreement was negotiated, and certainly for this year, in the difficult times through which we are passing, I do not think it would be opportune to reopen the matter with a view to reaching a new agreement.

The criticism has been made that we are not giving similar compensation or payment to other cities. My reply is that Ottawa is in a peculiar position because the federal government controls a much larger number of properties in this city than in any other city in the dominion; and these properties being exempt from taxation, the city of Ottawa is exposed to the loss of a much larger amount of taxes than any other city in the country.

Judging from the favourable reception given to similar proposals in years gone by, I sincerely hope that the committee will support the resolution and allow the bill to be introduced.

Mr. HANSON (York-Sunbury): I rise, not for the purpose of opposing the resolution—it is an old friend—but to ask for a little information with respect to the government's policy regarding property recently purchased by the dominion in the city of Ottawa. There is an outstanding instance in the purchase of the Jackson building, now occupied largely, if not altogether, by the Department of National Defence for Air. That building, of

course, is a rather modern and improved building, costing the government a large sum of money—I have forgotten what it is, something around $1,000,000. The moment it becomes government property, it automatically goes off the assessment roll of the city of Ottawa. I should think the loss of revenue from a property of this kind would be a matter of great concern to the civic government, and I should like to know just what is being done with respect to that building. Of course I realize that if title has not passed, the property is still subject to taxation, and I am not quite sure that I know the exact position. I recall that the building was purchased on the instalment basis, with so much to be paid each year, so I presume the title would remain with the former owner until such time as the payments were completed.

There are, however, other buildings in Ottawa which have been acquired recently. I have some recollection of reading that a warehouse building on Nicholas street was purchased from somebody for $100,000. Automatically that would be taken out of the assessment of the city of Ottawa. Then I believe an expensive brewery property was expropriated recently, for what purpose I do not know. Perhaps, if the minister has the information, he would make a statement as to what property has been purchased and what has been the effect on the Ottawa civic revenue.

Mr. CARDIN: I regret very much not having before me at the moment all the information with regard to properties which have been expropriated by the government. I might say generally, however, that once the property is acquired, it ceases to be subject to the payment of taxes to the city of Ottawa. That was one of the claims made by the city, that in taking over properties which were paying taxes to the city treasury we were depriving Ottawa of substantial revenue, and that was one reason for asking the government for some kind of agreement.

Mr. HOMUTH: Does that apply to the Jackson building?

Mr. CARDIN: Yes, it does. It also applies to the brewery to which the leader of the opposition has referred, and to all properties that we are taking over. The moment we take over these properties, they cease to pay civic taxes.

Mr. HARRIS (Danforth): The property is still assessed, and the minister has before him the assessed value for the current year.

Mr. CARDIN: Yes; we have the assessed value, but we pay no taxes.

Mr. HARRIS (Danforth): In that way we could get some idea of the loss in taxation.

Mr. CARDIN: Oh, yes; that could be obtained.

Mr. HANSON (York-Sunbury): If the minister has not the information here at the moment, perhaps he could give it to us at a later stage of the bill.

Mr. CARDIN: That could be given when the estimates of the public works department are being considered.

Mr. HANSON (York-Sunbury): Or when this bill is in the committee stage.

Mr. CARDIN: Yes.

Mr. CHURCH: The principle under which this grant is made originated some years ago, at a meeting of the municipalities of Canada. At that time it was pointed out that in Australia each province gave a cash grant to the capital city in exchange for municipal services. For example, the government of New South Wales helps to maintain the police and fire departments of the city of Sydney. I do not desire to oppose this grant to the city of Ottawa; far from it. But when you add this amount of $100,000 to the amount spent by the Ottawa improvement commission and the other large sums of money spent in this city—I think there was a year ago something like $8,000,000 for new buildings—it amounts to a very large sum. This $100,000 and the amount spent on other Ottawa parks work are equivalent to about two and a quarter mills in the Ottawa tax rate, and to that extent this government is lessening the taxes which otherwise would have to be paid by the people of this city.

The principle underlying this grant should be applied to the provincial capitals as well. It applies in the United States, where they give what is known as a subvention to the capital in exchange for certain civic services to the state such as police protection, fire protection, water, health regulation, street cleaning and so on.

That is the situation in times of peace, but this is a time of war, and the war has placed a very heavy burden on the municipalities. In the first place, the government comes along and appropriates their revenues. The income tax was the exclusive field of the municipalities from 1867 to 1917. That field has been taken over by the provinces and invaded by the dominion, and now hon. gentlemen opposite are threatening what they are going to do in the way of appropriating more of municipal and other provincial revenues. The result will be that our municipalities will starve, because all their money must come from taxes on real estate and they can get no help anywhere.

That is not a fair condition. Every vote must have a principle, and if the principle of

this vote is sound, then I believe it should apply to the larger municipalities throughout the country. The city of Toronto, for instance, gets little or nothing no matter what government is in power. Why, Toronto has to pay the cost of guarding the hydro-electric power plants and other city property, and the distribution system covering the whole of Toronto, which furnishes all the power used by the munitions factories of that great city. We do not get a cent for that. During the last war the federal government paid the cost of guarding, by the militia in training, all federal, provincial and municipal property, but that is not so to-day. The province of Ontario came to Ottawa with regard to that matter, and this government last fall receded from its position and took over the cost of guarding the power plants in the Niagara district, but did nothing about the distribution power system of the municipalities; it let them pay for that work.

In my view this principle should be applied to other municipalities in addition to Ottawa. Some contribution should be made by this government in exchange for the services rendered as well by the larger municipalities. In Toronto the government has been given the use of the exhibition buildings and grounds, which cost $24,000,000 of the taxpayers' money on grounds, buildings and permanent exhibits. Those buildings and grounds were used for military purposes in the last war, and are similarly used in this one, and this government does not pay a cent for them. It does not even pay the cost of lighting the grounds.

This government has thus placed a very heavy burden upon the municipalities. Almost every statute passed by this parliament adds to that burden, but the municipalities are not given a dollar in subventions. That is inequitable and unfair. Here Ottawa is given a grant amounting to about two and a quarter mills in the tax rate, while the other municipalities can get nothing at all. Here we are voting about three billion dollars, presumably for war purposes, although a great deal of it is not for the war at all. It must be remembered that some war work is also being done by the municipalities, and they pay part of the federal burdens. Toronto has, in its tax rate, about two mills of purely federal burden.

Since I have been in this house I have urged that the government should heed the handwriting on the wall. I believe the principle under which this grant is made originated when I was president of the union of Canadian municipalities. We adopted a motion urging that the government should give subventions to the larger centres of population in exchange for municipal services, but so far that principle has been extended only to the city of Ottawa. I believe some recognition should be granted the other cities that give a great deal more in the way of the services than is given by the city of Ottawa. I urge the minister to consider this point. Two years ago he said he would do so, but he has not considered it at all. In view of the heavy burden of taxation municipalities are paying, a contribution of two or three mills to the tax rate would look particularly good, especially in view of the fact that the government is taking large revenue from municipalities. We seem to have the principle of the law of the jungle—"to him that hath shall be given, and to him that hath not shall be taken away even that which he hath." I see no reason why the city of Ottawa should not have some recognition; but I must say, as I said last year when a similar bill was under consideration, that some consideration might be given to other cities in this connection.

It was pointed out by me last year that there is not sufficient room for all the war departments of the government, and I suggested that many of them should be moved to Toronto, Hamilton, Montreal and other points where housing and building space are available. I believe such a movement would effect great economies. When the minister replied, he said the matter would be taken up, but it has not been.

Where is the government going to get space? I suggest that great economies could be effected by a rearrangement of departments and their transfer to other cities and towns. I hope the minister will give us some explanation of this expenditure. Why is it that there is always discrimination against the city of Toronto? No matter what government is in office, we receive the same treatment. We contribute tax moneys to the extent of nearly $92,000,000, and we get nothing in return but pin-money. I say we are entitled to recognition. We have no post office. We had a new mail order building, but it was taken away and given to the military authorities for an ordnance department. Toronto paid one-third of the cost of the viaduct, a sum it had no right to pay, at all. It has contributed large sums of money to the federal exchequer; it is behind the government, and wants to help it. I hope, however, that after the representations I have made, the minister will give the matter some consideration. I believe that in other places they do receive better treatment. I hope other members of the Conservative party from Ontario will take a similar stand. I

would hope, too, that members on the government side might do likewise. The hon. member for Hamilton West (Mr. Gibson) a minister, is in his seat to-night, and I hope he will take that stand. I shall not plead their cases for them, but I do say they are entitled to just as much money as is the city of Ottawa. I should like to know the views of the hon. member for Hamilton West regarding this policy of treating cities in a different manner, because he is a member of the government.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 23, to authorize an agreement between His Majesty the King and the corporation of the city of Ottawa.

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

On section 1—Agreement with city of Ottawa extended for one year.

Mr. ROSS (St. Paul's): I listened with interest to the remarks of the hon. member for Broadview, and I should think the city of Toronto would very much like to have the capital at that point. As a matter of fact, I believe we would be willing to pay money to the government of Canada to have the capital in Toronto. I am not, however, opposing the vote of $100,000 to the city of Ottawa; probably that vote is needed.

I suggest, however, that this is war time, and that the vote is the same as it was in other years. It seems to me that in a time of war some of these expenditures might be reduced. I believe that economies are necessary, and I would recommend that on account of the war the minister do something toward reducing the amount of expenditures involved in this measure. That is my only reason for making the suggestion. We must economize in all quarters.

Mr. GRAYDON: I rise to protest that we have not a copy of the bill with which we are now dealing. Surely, if we are to follow the rules, we should at least have the bill before us.

The CHAIRMAN: I would point out that the bill is in language exactly similar to that in the resolution on the order paper. If hon. members wish, I shall read the bill.

Mr. CARDIN: Certainly the hon. member has had some experience in these matters, and he has knowledge of similar bills which have passed through the house since he has been a member. As I pointed out earlier, since 1930 there have been bills each year renewing the agreement, which dates back to 1920. This bill provides only for a renewal of the agreement for another year. At other times the house has been most generous in its treatment of similar measures; on some occasions it has proceeded from the resolution stage to third reading at one sitting.

When discussing the resolution the leader of the opposition pointed out that there were certain details I was not in a position to give at that time, and he asked me if I would give those details in committee on the bill. I would be ready, if necessary, to move that the committee rise, and that we consider the bill to-morrow. In order, however, that the other house may have some business, I would ask that the bill be permitted to proceed to-night, on the understanding that when the estimates of the Department of Public Works are before the committee of supply, I shall bring the information asked by the leader of the opposition and the hon. member for Danforth. The whole matter could be reopened, so far as property in Ottawa is concerned. If it is satisfactory, I would ask that the bill be reported, and that we dispose of it.

Mr. GRAYDON: I was not objecting in a critical way, but it is the right of every hon. member to have before him any bill which is being discussed. I had no knowledge that the minister had made an explanation to the effect that the bill was similar to that passed in previous years. I must maintain, however, that our ordinary procedure of having bills before us when they are discussed is one from which we ought not lightly to depart. I have no desire in any way to hold up the passage of the bill or the business of the house.

Mr. CRERAR: There is no desire to press the matter against the wishes of the hon. member. I asked across the floor of the house if we would take second reading, and someone nodded. After all, it is a simple measure, and we might do well to get it out of the way.

Mr. HANSON (York-Sunbury): There is no objection.

Mr. GRAYDON: No objection, at all.

Mr. McILRAITH: With reference to the suggestion of the hon. member for St. Paul's, that the amount be reduced by reason of the war, I wish to make it perfectly clear to the committee that, as the member for Ottawa West I feel the amount is very much too small. I have refrained from raising this point before or from going into the matter because of the war situation and the urgency

of the need for money for war purposes. In no way, however, do I acquiesce in the suggestion that the amount is too large.

Mr. PINARD: Mr. Chairman, I should like to say a few words to those who are objecting to this bill. Apparently the leader of the opposition is waiting to hear what I have to say. Two or three years ago I objected to the amount paid to the city and asked for $200,000 instead of $100,000. Since that time many additional expropriations of property have been made. Property totalling millions of dollars has been taken off the tax-rolls of the city. If this bill is to stand over; if the objections are well founded, then the chances are that the Minister of Public Works and the leader of the opposition will be ready to agree to the amount being raised to $200,000, which would be quite reasonable. I think objections to this bill should be withdrawn. Hon. members should consider the amount of money contributed in many different ways by the civil service. They have done their bit. As far as the hon. member for Peel is concerned, if he is willing to spend a few minutes with me in my office I shall treat him right and I think I shall be able to show him that he is wrong.

Mr. CASTLEDEN: What is the procedure with regard to the payment of taxes on properties acquired by the government?

Mr. CARDIN: The federal government pays no taxes.

Mr. CASTLEDEN: In other words, these properties come off the tax-rolls?

Mr. CARDIN: Yes.

Mr. ROSS (St. Paul's): How much will that amount to?

Mr. CARDIN: I cannot say at the moment, but I shall undertake to supply that information.

Mr. ROSS (St. Paul's): I am not objecting to the vote for the city of Ottawa because of any smallness of mind, but the committee is entitled to know more about the services rendered and what the actual situation is. If $100,000 is not enough under the circumstances, perhaps the city could be given a little more. If, however, it is too much, I know the people of this city would not want to take away from our war effort. I wish to know if the government has given sufficient consideration to this matter to be able to say whether some reduction might not be made. I do not want to be unfair to the city of Ottawa because I understand that they give fire and police protection and water service, but I think we should have the balance sheet.

[Mr. McIlraith.]

Mr. PINARD: If the hon. member will accompany the hon. member for Peel, I think I can satisfy them both.

Mr. ROSS (St. Paul's): I shall be glad to go to the hon. member's office to look over the situation, but that would mean that only two members would know it. The whole membership is entitled to this information. Perhaps, when the estimates come along, the hon. member will present this balance sheet. Probably he is more familiar with it than is the minister.

Mr. GRAYDON: We have gone a long way in our procedure to-night. We are considering a bill which has not been brought down, and we are being asked to debate it in the room of an hon. member.

Mr. CASTLEDEN: Could we have a statement of the properties which the federal government has acquired in the last twelve months?

Mr. CARDIN: I promised that information to the leader of the opposition, and I will give it when I am dealing with the public works estimates. It will be a long list running into many millions of dollars. If the committee will pass the bill to-night, I will undertake to give this information when the estimates are being considered. I am suggesting that we do this only in order that we may provide a certain amount of business for the other house; I am not doing it for the purpose of withholding any information. If I remember correctly, a complete list of expropriation was given a year ago, but a number of properties would have to be added because they have been taken over since war was declared.

Section agreed to.

Bill reported, read the third time and passed.

MEAT AND CANNED FOODS ACT

APPLICATION OF COMPULSORY INSPECTION AND MARKETING PROVISIONS TO CANNED LOBSTER

Hon. J. E. MICHAUD (Minister of Fisheries) moved the second reading of Bill No. 14, to amend the Meat and Canned Foods Act (fish and shellfish).

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I should like to say a few words on this bill which deals with the canning and care of lobsters. It appears suitable for that purpose. Since I have only a limited knowledge of that matter, I shall leave it to hon. members from the maritimes to deal with the question in detail. There is, however, one small matter I should like to call to the attention of the minister. Perhaps he will

be kind enough to look into this and change the bill when it is in committee. The old act required certain facts to be placed upon the label of each can, among them being the name of the place where the article was packed. That applied, not to salmon, but only to shellfish, but through some rearrangement of the wording of the section, quite inadvertently I am sure, it has been made to apply to fish salmon, or herrings and pilchards.

This brings in the salmon trade of British Columbia. It is required that this information be placed upon the labels of each can. Salmon is put up in one pound, half-pound, and, I believe, quarter-pound tins, and this will mean a lot of work. What is required to be put on the label is the place where it was packed, not where it came from, and that gives no information at all. Supposing a housewife buys a can of salmon and she wants to purchase another similar can; if the label simply states that it was packed in a place called Kildonan, it gives no information as to where the salmon really came from.

Of late years there has grown up a system of transporting salmon from the place where it is caught to a central point. In the old days it was packed in the cannery at the place, involving large expenditures for hauling supplies back and forth and people, also houses, schools, doctors and so forth. But better transportation methods have allowed it to be done the reverse way, and now the tendency is to bring the salmon to where the centres are and where the population ensures that the cannery can easily get a supply of labour at a few moments' notice. The consequence is that while the fish might be regarded as being packed in Vancouver, it might have been caught a couple of hundred miles away. That gives a wrong impression as to the point of origin. These big companies in British Columbia often have a number of canneries, and some of the fish may be caught in one place and some at another place, and a precise statement of where they are packed is asked for.

The proposed method is inconvenient, expensive and unjust. Every intelligent citizen of British Columbia knows that fish of any variety are always caught in their best excellence in the district I have the honour to represent, and that applies to other things than fish. A fish might be caught at Kildonan or at Barkley sound or some other place on the west coast and be transported to Vancouver to be packed. It would be regarded as packed in Vancouver. But the same identical fish might be packed next week or next month at Kildonan. Also, of course, the history of a particular catch would have to be carried out in its entirety, can by can. You might have 26,000 cases of sockeye sold to Britain, some of them packed in one place and some in another, and the same with any of the other main, known and acknowledged varieties—sockeye, springs, chums, and so on. The inspection of salmon in British Columbia is scientifically carried out, and when that test is passed and the stamp is put on certifying that the fish is No. 1 sockeye, or whatever the variety may be, from British Columbia, the public in Britain can be perfectly sure that they are getting a first-class article, no matter where it was packed.

What is really required is that, instead of putting on the name of the place where the fish is packed, the name of the province should be put on. That is the usual custom of the trade, and it is better for the customer as well as for the purchaser. Then the British housewife buying a tin of No. 1 sockeye can tell whether it was packed in British Columbia, but if she asks about a particular cannery, they would not be able to tell her where it came from. The suggestion I make would be to the distinct advantage of the business and of the packers, and I do not think it would detract in any way from the object which the minister has in mind in bringing in this amendment. I hope he will agree to make it the name of the province.

Mr. MICHAUD: Mr. Speaker, I entirely agree with the suggestions that have been made by the hon. member for Comox-Alberni. The purpose of this amendment is to enable the department to make regulations along the lines my hon. friend suggests, particularly with regard to canned lobster. If the amendment passes, it will enable the department to make rules and regulations to correct not only the anomalies pointed out by the hon. member with regard to canned lobster but anomalies with respect to other kinds of shellfish as well as salmon. That is exactly the purpose for which this amendment to the Meat and Canned Foods Act is sought.

Mr. J. J. KINLEY (Queens-Lunenburg): Mr. Speaker, I should like to refer to section 1 of this bill, which gives a new definition. In the old act we referred to lobster as lobster meat. It takes quite a stretch of the imagination to call any fish meat. You would have a comprehensive definition of the word "meat" to label a can of lobster as "lobster meat."

I think the elimination of the words "dry lobster meat," in the present act is a most commendable change. The bill in its entirety is for the purpose of ensuring proper super-

vision and inspection of the sale of lobster both in Canada and for export, and as such deserves the support of the house.

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

On section 1—"Dry meat."

Mr. HAZEN: Are there two different kinds of packed lobster meat—dry meat and meat that is not dry—or is it all dry meat?

Mr. MICHAUD: There is only one kind of lobster meat put into cans, and the trade description of that lobster meat is "dry meat." The purpose of the amendment is to eliminate the detailed description, "dry lobster meat," and to substitute the words "dry meat." I am told that the former detailed description was necessitated by the provisions of section 23, which is repealed by this amendment and a new section substituted therefor. The words "dry lobster meat" will no longer be necessary. To avoid misunderstanding on the part of packers, dealers and sometimes brokers, it has been decided that it would be better to eliminate those words.

Since this bill was printed, it has been found that the definition of "dry meat" contained in clause 1 is a little ambiguous, and it is proposed to clarify it, without changing the meaning at all. I would ask my colleague to move an amendment accordingly. The new definition will read:

"Dry meat" means the meat of shellfish contained in a can which has been processed and allowed to cool thoroughly, and which is opened and upturned for not less than one minute and not more than one and one-half minutes so as to permit free drainage of the liquor therefrom.

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

Amendment agreed to.

Section as amended agreed to.

Section 2 agreed to.

On section 3—Packs subject to inspection.

Mr. NEILL: I move to eliminate the word "place" and insert the word "province" in paragraph (b), subsection 2 of the proposed section 18. The minister spoke about arriving at the same result by regulation, but this is a bill which we are passing, and you cannot or you should not be able to change by regulation what is passed by law. Besides, the regulations referred to in section 4 are in connection with a different matter altogether. I ask the minister if he will not consider allowing paragraph (b) of subsection 2 of section 18, which is covered by section 3 herein, to read:

(b) a true and correct description of the contents of the can, including the vernacular name and the name of the province where the same was packed.

The only change is that, for the reasons I have mentioned, I have put in the word "province" instead of the word "place." I believe this would be much more convenient to the cannery people and to the whole industry, as well as to the buying public, and would better carry out the purpose of the original act.

Mr. MICHAUD: I am satisfied to agree with what the hon. member has suggested, although I believe it will not make much difference, because the phrase, "the name of the place where the same was packed" is inclusive enough to cover the name of the locality and the province where the pack is put up. In my opinion, even though we have these words in the act, they will enable us to make regulations providing for placing on the can the name of the place, as in some circumstances may be required, particularly for lobster; and in the case of salmon it would not prevent us from making regulations provided that it is sufficient to have the name of the province on the can. With regard to the lobster there are packs put up in certain districts of the maritime provinces where the locality gives some trade value to the goods, and we want to be sure we have power to provide that the name of the place where the goods are put up is indicated on the can. I feel that the existing wording is broad enough to enable us also to make regulations covering the case of canned salmon, where the name of the province would be sufficient.

Mr. NEILL: The section carries out that idea in part, but it goes on to say, "in the case of fish." "Fish," I take it, means, other than shellfish.

. . . in the case of fish the minimum weight . . .

And so on.

. . . and in the case of shellfish, unless it is otherwise provided by the regulations . . .

I would say, with no offence at all to the minister—for I do not care who the minister is; the idea is the same—that I do not care for the idea of accepting assurances in this house that such-and-so put into an act is going to mean something other than it exactly does read, and of trusting that later on it will be so carried out. I well recall, in connection with a bill dealing with soldier settlement, pointing out an anomaly somewhat similar to this one, and saying that I was afraid that

it might be interpreted later on by officials in a manner prejudicial to the settler. The minister in charge—he is no longer here—said that I could accept his assurance in the presence of the whole house that it would not be so interpreted. Six months later I had occasion to protest against the treatment of a settler under the strict wording of the act, and I was told by the officials that they had nothing to do with the statement made in the house by the minister, that it did not bind them and that they did not propose to be bound; and in consequence of that, the settler suffered a grievance. The minister expressly stated in the presence of the house and the whole government that the interpretation would be such-and-so. That happened on more than one occasion, and that is why I am a little dubious about accepting the assertion that everything will be lovely.

I quite admit that to put all this pedigree that the act calls for, about the lobster, is perhaps necessary. It always has been so, and I am not seeking to make it different. I am only seeking to preserve the purity, so to speak, of the British Columbia salmon as regards the province it comes from, without going into any ridiculous demand which might involve putting the exact spot where it was packed. In days gone by there used to be floating canneries where the packing was done wherever the boat happened to be. You would have to take the degrees of latitude and longitude every night in order to ascertain exactly where the boat might be at the moment certain packing was going on, and when a canner is putting up 50,000 cases every year, with six or seven varieties, he cannot keep track of every half or quarter-pound tin, or a lengthy pedigree of the source and origin and where the fish in each tin was packed; it would be a heavy expense, and expense at any time means poor business, because the product would cost more to the consumer and yield less to the fisherman. I will not press the amendment, because the government has a large majority behind it; I am merely putting in my protest. Expense and inconvenience will be caused, with no benefit to anybody at all.

Mr. MICHAUD: As regards what the hon. member for Comox-Alberni has said, to accept the amendment as suggested would make it almost impossible to comply with the trade practice in merchandising or marketing canned lobster, by indicating the place of origin, which is considered by the trade to be absolutely necessary. On the other hand, if the section is left as it is, I believe that the wording is broad enough to permit the making of regulations which, if applied to canned salmon, would require the name of the province only to appear on the can, and it would be open to the department to make regulations providing for the naming of the place as it may apply to canned lobster. So, by leaving the section as it is, without amendment, it will be broad enough to cover all cases and enable the department to make regulations covering such a case as is suggested by the hon. member for Comox-Alberni.

Mr. KINLEY: It seems to me that the word "place" in the bill is quite enough to protect the industry. The hon. member for Comox-Alberni says that there may be a floating cannery, a ship outside the harbour. Well, the ship will come to port; it seems to me that the port where the ship is registered would be the place where, according to the intention of the bill, the fish would be canned, and the place where they are canned is, therefore, easily definable and should not cause any confusion, especially when the matter is covered afterwards by regulation in accordance with the act.

Mr. STIRLING: Is it clear that these labels which are being discussed apply only to fish?

Mr. MICHAUD: Yes.

Mr. STIRLING: They apply only to fish?

Mr. MICHAUD: Fish and shellfish.

Mr. STIRLING: Would the difficulty indicated by the hon. member for Comox-Alberni not be got over if the words "place and province" were used? For instance, "Kildonan, B.C."

Mr. POTTIER: "Place or province"?

Mr. STIRLING: No; "place and province".

Mr. POTTIER: It seems to me that the difficulty would be overcome by inserting the words "or province", making it read, "place or province". There would then be the alternative, if the difficulty suggested by the hon. member for Comox-Alberni were encountered.

Mr. KINLEY: Why say "place or province"? A province is a place, and the regulations would define what is a place under the act.

Mr. NEILL: "Place" indicates a specific place. I do not think any stronger argument could be adduced in support of the amendment that I have proposed than the argument put forward by my hon. friend sitting behind me (Mr. Kinley) when he said that a ship would always be registered somewhere. It might be registered in Liverpool. Any of the proposals suggested, either by the hon. member for Yale (Mr. Stirling) or by the hon.

member for Shelburne-Yarmouth-Clare (Mr. Pottier), would be satisfactory and would meet the case. "Place or province" would leave it open to one or the other. As regards fixing it by regulation, that is not satisfactory. We are passing an act, and in making the act we should not be told that it will be changed by regulation. When you provide by law that the place where a product is packed shall be indicated on the tin, it has to be done and no regulation will allow you to change that. I suggest that "place or" would meet the wishes of the minister.

Mr. MICHAUD: Suppose we compromise by inserting after the word "place" the words "and or," so that it would enable us, as regards canned salmon if desired, to print only the name of the province, and as regards shellfish to print on the label the name of the place as well as of the province.

Mr. STIRLING: Can the minister assure me that this does not apply to tomatoes?

Mr. MICHAUD: Not at all.

Mr. STIRLING: The other part of the act does?

Mr. MICHAUD: The other part of the act may provide for them, but we are not interested in that.

Mr. MACDONALD (Kingston City): Is it the understanding that you can use either the place or the province?

Mr. CARDIN: I move the amendment.

The CHAIRMAN: The subsection as amended will read:

(b) A true and correct description of the contents of the can, including the vernacular name and the name of the place and or province where the same was packed.

Amendment agreed to.

Mr. HAZEN: The subsection goes on to say:

. . . and in the case of shellfish . . . the minimum weight in avoirdupois of the dry meat in the can.

Do the regulations cover clams, which are not packed in that way?

Mr. MICHAUD: Yes; there are already regulations that apply to clams.

Mr. HAZEN: Why on the label do you ask for the initials of Christian names? It might be possible that some man is packing not under his initials but under his Christian name and surname. I do not know what the provision was before, but I should like to know the reason for the initials rather than the full name if a man wishes to use his full name.

Mr. MICHAUD: The reason is that in some sections there are several packers with the same surname—several Macdonalds or Smiths—and they are all old-established packing houses. Their names have a trade value and they are distinguished only by initials. In order to protect them we must provide in the regulations that they should indicate their initials. Otherwise they would be infringing the rights of competitors.

Mr. HAZEN: Do none use their Christian names instead of their initials?

Mr. MICHAUD: There is nothing to prevent them from including their full Christian names so long as they use their initials.

Mr. HAZEN: It does not say that they may use their Christian names. It is peremptory. It says that "all such cans shall be labelled with (a) the initials of the Christian names." There is no mention of Christian names.

Mr. MICHAUD: But there is nothing to prevent the use of their Christian names—

Mr. HAZEN: Except the act.

Mr. MICHAUD: —so long as they use their initials. If they do so, they comply with the provisions of the law, and that is all that is required. They may spell their names in full if they wish to do so, but the law compels them to use their initials.

Mr. HAZEN: Why not say initials or Christian names and make it clear?

Mr. CARDIN: I would move that paragraph (a) of subsection 2 of section 3 be amended by striking out in the first line thereof, after the word "initials," the word "of" and substituting in lieu thereof the word "or," so that the paragraph will read: "(a) the initials or the Christian names."

Mr. NEILL: It should be "initials of" or the Christian names. Now they have to show the initials or the Christian name. Suppose you said, "the Christian names or the initials."

An hon. MEMBER: You would have to have the initials of the Christian names.

Mr. NEILL: The Christian names or the initials thereof. I would point out that some of these tins are very small, not much bigger than a dollar, and there is a lot to be put on them. "William Adolphus Hoffenweit" would take a lot of space on a tin.

Mr. CARDIN: I move that the paragraph be amended by striking out the words "the initials of" and adding after the word "names" the words "or the initials thereof."

Amendment agreed to.

Section as amended agreed to.

On section 4—Confiscation.

Mr. MICHAUD: There is a slight change in order to make this section clear. I will ask my colleague to move the amendment, which is as follows:

That section 4 be struck out and the following substituted in lieu thereof:

4. Subsection two of section twenty-two of the said act is repealed and the following substituted therefor:

(2) Any unsound fish or shellfish found during the process of preparing and packing, and any unsound canned fish or shellfish found at any time thereafter, as provided by the regulations, may be seized and confiscated on view by any inspecting officer and dealt with as required by the regulations.

Mr. CARDIN: I move accordingly.

Amendment agreed to.

Mr. HAZEN: Might it not be possible for unsound fish or shellfish to be found prior to preparing and packing. The inspectors, in the course of their rounds, might find unsound fish prior to preparing and packing, so I think it should read, "found at any time before or thereafter".

Mr. MICHAUD: The section now provides for the confiscation of unsound fish or shellfish found during the process of preparing and packing. The whole process starts with the bringing of the fish to the cannery or place of packing. Then it is prepared for packing and placed in the can. This provides for seizing the fish at any time, from the moment they are taken into the cannery until they are put into the cans. Then follow the words, "and any unsound canned fish or shellfish found thereafter," which means after it has been prepared and put in the cans. The cans are sealed; then on second or third inspection they may be found to be unsound, and this provides for their seizure as well.

Mr. FRASER (Peterborough West): The section reads, "any unsound canned fish". That would mean the fish would be in the can.

Mr. MICHAUD: Yes; but the amendment has been suggested to correct that.

Section as amended agreed to.

On section 5—Regulations fixing grades of canned lobster.

Mr. CASTLEDEN: What is the purpose of this change?

Mr. MICHAUD: As it stands now, the regulations are statutory. The canned lobster trade is changing rapidly; we have to find new markets in the United States for a large part of the pack, and we find it necessary to make regulations different from those that existed in the past. We must meet the conditions with which we are faced when we market our lobsters, so instead of having the regulations statutory, we are taking power to make the regulations by order in council.

Section agreed to.

Sections 6 and 7 agreed to.

Bill reported, read the third time and passed.

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

Wednesday, March 26, 1941.

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NON-INTEREST-BEARING BONDS

Mr. HANSON (Skeena):

What is the total amount paid in subscriptions in Canada since the beginning of the present war to date, in connection with non-interest bearing bonds, showing each province separately?

Mr. ILSLEY:

Province	To March 15, 1941 No. of applications	Amount
British Columbia	351	$3,523,995 15
Alberta	600	85,647 32
Saskatchewan	418	86,063 93
Manitoba	2,614	125,023 63
Ontario	2,991	956,489 00
Quebec	156	1,188,176 49
Nova Scotia	28	6,739 00
New Brunswick	62	75,325 15
Prince Edward Island	....	.....
Yukon	1	5,000 00
Total	7,221	$6,052,459 67

ST. LAWRENCE WATERWAY—EFFECT ON PORT OF MONTREAL

Mr. JEAN:

1. Before signing the treaty respecting the St. Lawrence waterways as announced by the Right Honourable the Prime Minister on the 19th instant, did the government consult experts as to how the port of Montreal would be affected by the completion of the project?
2. If so, what are the names of such experts?
3. What were the conclusions of each of them?

Mr. CARDIN:

1. Yes.

2. The possible effect of the St. Lawrence development on the port of Montreal has been studied by various engineering boards during the past two decades. The joint board of engineers investigated the project in 1924-1926, and the effect of the project proposed at the present time has been examined by the Canadian temporary great lakes St. Lawrence basin committee, the engineers on which were Mr. G. A. Lindsay, Department of Transport; Dr. Olivier Lefebvre, vice-chairman, Quebec Streams Commission; and Dr. T. H. Hogg, chairman and chief engineer of the Hydro-Electric Power Commission of Ontario.

3. The conclusions of the above are that the provisions of the Canada-United States agreement together with the engineering design of the structures and arrangements for regulation and control are of such a character as to prevent any adverse effect on the port of Montreal.

*BEAUHARNOIS POWER DEVELOPMENT

Mr. LaCROIX (Quebec-Montmorency):

1. Is there an agreement between the dominion government and the government of the province of Quebec providing for the return to the province of the electrical energy developed from the Beauharnois canal?

2. If so, upon what conditions?

Mr. CARDIN: I understand the agreement and the correspondence, tabled on Friday, already contain the answer to this question.

*ST. LAWRENCE WATERWAY—NAVIGATION

Mr. LaCROIX (Quebec-Montmorency):

In connection with the St. Lawrence waterways agreement, is there any restriction with reference to vessels from the great lakes continuing their voyages from Montreal to the ocean?

Mr. MACKENZIE KING: The reply just given by my colleague to the question concerning the Beauharnois power development, would apply to this question.

TUBERCULOSIS IN WENTWORTH, ONT., CATTLE

Mr. CORMAN:

1. How many cattle were tested in the county of Wentworth for tuberculosis?

2. How many were found to be suffering from the above disease?

3. What amount of compensation was paid farmers having these diseased cattle?

Mr. GARDINER:

1. 19,806.
2. 1,251.
3. $37,358.

SYDNEY, N.S., AIRPORT

Mr. GILLIS:

1. What was the cost of the site for the airport located at Sydney, Nova Scotia?

2. From whom was the site purchased?

3. Was the land where this airport is located originally crown land?

4. If so, to whom was it sold or transferred?

Mr. POWER:

Provincial crown lands, 670 acres	$ 670 00
Militia rifle range, 312 acres (transferred)	1 00
Dominion Coal Co., half interest 192·5 acres	721 88
Mary and Sarah Wallace, ½ interest 192·5 acres	481 25
Note.—One-sixth interest in this tract has been expropriated but no owner can be found and therefore no money has been paid for it.	
John Gillis, guardian of the person of Peter Gillis, unsound mind, ¼ interest 38·4 acres	72 00
Peter Gillis, Michael Gillis, John Gillis, Katy Ann Gillis, heirs of M. Gillis, ¾ interest 38·4 acres	216 00
Daniel McMillan right of way 6·08 acres	60 00
Total	$2,222 13

*USE OF IRISH PORTS AND BASES AS A PROTECTION TO EMPIRE SHIPPING

Mr. CHURCH:

1. Has Canada a foreign minister or envoy to the Eire republic in Dublin?

2. If so, who is the acting head, what is his staff, what duties do they perform and what are their respective salaries and other allowances?

3. Has the government made any representations to Eire as to the loss of Canadian shipping off Eire ports by enemy action, resulting from the refusal of Eire of the use of her ports for defence purposes?

4. Is Eire considered by this government a dominion or a separate republic?

5. What trade commissioners or other Canadian officials are in Eire, where are they located, at what cost, and is there duplication of services?

6. Has Canada made representations to Eire or to the government of Britain requesting the use of Irish ports and bases as a protection to Canadian and empire shipping against enemy submarines and air bombers?

7. Have empire ships been sunk, and Canadian and British seamen drowned as a result of the lack of protection by the use of Irish ports?

8. What has the government done in the matter, or what action will be taken?

Mr. MACKENZIE KING: I feel I ought to say a word or two about the questions which the hon. member for Broadview (Mr. Church) has asked, and in that connection point out to him and to hon. members of the house that in considering both the placing of questions on the order paper and the replies to be made thereto, it is desirable that we should all have in mind the effect which the questions when asked and when answered may have upon the situation with which the entire British empire is faced at the present time. It is important that we keep in mind particularly the position of the United Kingdom and the government as well as that of our own country in dealing with matters which affect not one part of the empire only, but all parts. If any useful purpose can be served by asking and answering questions, if we can achieve a purpose which will assist the war effort of the British commonwealth, then I think questions might well be asked and should be answered. But if a question is of a character to provoke discussion and is in no way calculated to aid in meeting an existing situation and one which may be very embarrassing, with all due respect I submit that any such question should neither be asked nor answered.

There are one or two questions asked by my hon. friend which I can answer. He asks: "Has Canada a foreign minister or envoy to the Eire republic in Dublin?" I would reply that Canada has no foreign minister in Dublin. There is the office of high commissioner which unhappily, due to the death of the late Mr. John Hall Kelly, is vacant at the present time. At present the acting high commissioner is Mr. E. J. Garland, a former member of this House of Commons. My hon. friend following his first question asks: "If so, who is the acting head, what is his staff, what duties do they perform and what are their respective salaries and other allowances?" I have already given him the name of the acting head. The staff is a small one. It consists of one stenographer, Miss E. O'Malley, grade 3, who receives a salary of $1,560 and an allowance of $250 per annum, and Mr. Chambers, messenger, who receives $465.

I shall have to bring the next question to the attention of the Minister of Trade and Commerce (Mr. MacKinnon). My hon. friend asks: "What trade commissioners or other Canadian officials are in Eire, where are they located, at what cost, and is there duplication of services?" Perhaps this question may be allowed to stand on the order paper to be answered later by my colleague. The hon. member's next question is: "Has the government made any representations to Eire as to the loss of Canadian shipping off Eire ports by enemy action, resulting from the refusal of Eire of the use of her ports for defence purposes?" To begin with, this question is out of order because it carries with it an implication. It is asked not so much for the purpose of getting information as for the purpose of purporting to give information, which may and probably is wholly incorrect.

The next question asked is: "Has Canada made representations to Eire or to the government of Britain requesting the use of Irish ports and bases as a protection to Canadian and empire shipping against enemy submarines and air bombers?" And next: "Have empire ships been sunk, and Canadian and British seamen drowned as a result of the lack of protection by the use of Irish ports?" What I said a moment ago about a previous question would apply also to these. Then my hon. friend asks: "What has the government done in the matter, or what action will be taken?"

I submit, Mr. Speaker, that to give any replies to these questions, either in the affirmative or in the negative, would serve only to provoke discussion which might prove unfortunate to the relations between Canada and Ireland or create complications as between the United Kingdom and Ireland. I would not wish it to be assumed that the matters which are referred to have not been the subject of careful consideration by representatives of Ireland and our own government. On the other hand, I have no desire to answer questions which might quite unnecessarily occasion further questions or occasion embarrassment in other parts of the empire, with respect to a controversial matter. I think the whole matter is perhaps best left in that position. I am sure that my hon. friend, who is the most loyal of men, will appreciate that it is only because of reasons of great loyalty to the crown that I take the position I do.

Mr. HANSON (York-Sunbury): I followed the Prime Minister quite closely, but I do not recall that he answered question No. 4, in which the opinion of the government was requested as to whether Eire is considered to be a dominion or a separate republic.

Mr. MACKENZIE KING: I suppose that is a case of paying your money and taking your choice. I imagine that the United Kingdom would have something to say in regard to that matter as well as ourselves. I do not think we need to go into that particular subject, which is an academic one, at this time.

Mr. CHURCH: The British government have answered these questions. I wanted them answered and to know what will be done. There has been great loss of life and shipping

because of our inability to use these Irish ports, bays and inlets, and the government should make known its stand on the matter. I asked the question on July 10 of last year, as to what our policy was, when the Right Hon. Prime Minister's estimates were under discussion. A statute of Eire, the Irish National and Citizenship Act, declares the United Kingdom to be a foreign power, and the act states that in the event of any war of the United Kingdom, Eire will remain neutral. I do not want this question to stand. We have no foreign policy. The enemy will not let things stand and stop sinking ships. They will continue to destroy our fleet. These ports belong to the empire, not to Eire. I think the house is entitled to know something about the matter, and the country is asking what is being done. Two or three people in my constituency have asked me to take up the matter and have suffered as a result.

Mr. MACKENZIE KING: Like my hon. friend, I do not wish to have the question stand; I desire to have it dropped.

Mr. SPEAKER: Question answered with the exception of No. 5 which stands.

*PRICES TO SOLDIERS OF MEALS IN DINING CARS

Mr. CHURCH:

1. Will the government look into the matter of the price of meals charged soldiers on railway dining cars in Canada while travelling to their homes on furlough?

2. Will the government also look into the system of restaurant prices adopted by the Union Pacific Railway and other railway systems in the United States, and study the application of such a system for Canada's soldiers?

Mr. RALSTON: The matter referred to is already under examination.

WAR MATERIALS—CHICOUTIMI, QUEBEC, WORKSHOPS

Mr. LaCROIX (Quebec-Montmorency): Is it the intention of the Department of Transport to finance the putting into operation of the workshops for the manufacture of war materials at Chicoutimi?

Mr. CARDIN: This question is directed to the Department of Transport. If any assistance is given for the establishment of munition plants, it would be given under the jurisdiction of the Department of Munitions and Supply. The question refers to the putting into operation of workshops for the manufacture of war materials, but it does not indicate what workshops are referred to. It is somewhat vague. At all events I suggest that this is really a matter of policy which will be announced in due course.

[Mr. Church.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATURAL GAS AND PETROLEUM

Mr. HOBLITZELL:

1. What encouragement is being offered to Canadians who desire to explore for further natural gas and petroleum development in eastern Canada?

2. Has the oil controller taken any steps to ascertain the difference between the cost of crude oil imported into Canada and the cost of the same crude oil in the country from which it was imported, and how does this cost compare with a similar grade of crude oil if it were produced in any of the provinces of eastern and western Canada?

3. Has the oil controller issued a complete list of the rules and regulations concerning the petroleum industry which is available to any person in the Dominion of Canada? If they have not issued such rules and regulations, what reason can be given for such a policy?

4. Has the oil controller or any other official of the government the right to interfere with any one person or persons acquiring acreage on which to explore for oil, or to formulate or to put into effect any regulation which would prevent the development of a native supply of crude oil in Canada?

ARMY CANTEENS

Mr. SHAW:

1. Do men operating army canteens in Canadian military camps receive pay and allowances over and above regular army pay?

2. If so, what are the rates of pay or allowances for this work?

3. What operating costs, if any, are charged against the revenue derived from these canteens?

4. What are the regulations governing the distribution of profits accruing from the operation of army canteens?

Mr. RALSTON: Return tabled.

PRICES PAID BY FARMER FOR FEEDS

Mr. LACOMBE:

During the years 1939, 1940 and 1941, what prices were paid by the farmer for the following feeding stuffs, (a) red middlings; (b) white middlings; (c) barley meal; (d) crushed oats?

DEFENCE OF CANADA REGULATIONS—NEWSPAPERS AND PERIODICALS

Mr. MacINNIS:

1. What newspapers and periodicals published in Canada have been banned under the defence of Canada regulations since the commencement of the war, and what is, (a) the name of the paper; (b) the date when banned?

2. What newspapers and periodicals published in the United States have ben denied entry into Canada under the same regulations and for the same period?

3. What newspapers and periodicals published in Great Britain and/or the British dominions have been prohibited from entering Canada under the same regulations and for the same period?

4. What newspapers and periodicals published in other countries (friendly nations) have been prohibited from entering Canada under the same regulations and for the same period?

MILITARY DISTRICT NO. 11—SUPPLY OF MEAT

Mr. TUSTIN:

1. Was cow meat supplied in place of steer meat to military district No. 11 during 1940?

2. If so, who was the contractor?

3. For how many weeks was this meat delivered to military camps in British Columbia?

4. Was quality of meat supplied up to department specifications?

Mr. HANSON (York-Sunbury): I do not see why this should stand as an order for return.

Mr. RALSTON: I have been looking into this matter and I find that it involves regulations, the interpretation of regulations and possibly some correspondence. My hon. friend will see that a question which follows, with regard to meat contractors, relates to the same matter, but has to do with the Department of Munitions and Supply. That department purchases this commodity while the Department of National Defence inspects it. I telephoned the Department of Munitions and Supply this morning and they told me they were engaged in getting this information. I really thought the questions were connected.

Mr. HANSON (York-Sunbury): This is an important matter. When may we expect the return to be brought down?

Mr. RALSTON: I will have it brought down almost immediately.

MUNITIONS AND SUPPLY—CLAIMS AGAINST MEAT CONTRACTORS

Mr. CARDIFF:

1. Did Munitions and Supply department make a claim on any meat contractors during 1940 for supplying cow beef when other grades were specified?

2. If so, what amount of money was rebated during 1940 and during 1941?

3. Who were the contractors?

4. What military districts made claims?

LANGUAGE QUALIFICATIONS OF FEDERAL EMPLOYEES IN QUEBEC PROVINCE

Mr. LaCROIX (Quebec-Montmorency):

1. How many employees have been appointed in the province of Quebec since September 1, 1939, to the Departments of National Defence, Transport, and Pensions and National Health?

2. How many of these employees (a) are bilingual; (b) how many speak English only?

3. Were these employees appointed by the civil service commission under the authority of the Civil Service Act or the War Measures Act?

BRITISH CHILDREN

Mr. BRUCE:

1. How much money has the government received to date in the way of gifts towards the care of evacuated British children?

2. How much of this money has been spent respectively on, (a) hospitalization; (b) dental work; (c) clothing?

3. Do provincial governments make any contribution towards the above services? If so, how much?

4. Do any national voluntary organizations supply clothing for evacuated children? If so, what organization or organizations?

5. Do any of these organizations receive a government grant for this purpose? If so, which and for what amount?

6. Have any national organizations undertaken responsibility for certain evacuated children? If so, give the name of such organization or organizations?

7. Do these organizations receive grants from the government for their work?

8. As these children are in voluntary homes, what expense does the government incur in regard to them?

9. Did the federal government pay part of the cost of transportation of the government-assisted children to Canada? If so, state the total amount?

10. Were any of these children placed in their foster homes by provincial welfare agencies without cost to the federal government? If not, what portion of the cost did the federal government bear?

Mr. CRERAR: I doubt if we can get specific answers to all the inquiries covered in this question. Donations have come in, some of them direct to the Department of Mines and Resources and some to the Department of Finance. I suggest that the question be made an order for return, subject to the limitation I have stated.

MOTIONS FOR PAPERS

TORONTO-FEDERAL REVENUE AND FEDERAL EXPENDITURE

Mr. CHURCH:

For a return showing what federal revenues have been collected from the city of Toronto, during the last year of record in (a) postal receipts; (b) customs; (c) excise; (d) income tax; (e) inland revenue; (f) sales tax; (g) other federal levies. Also a statement of the expenditures made in the city of Toronto by the federal government during the last year of record.

Mr. ILSLEY: Mr. Speaker, I would ask that this motion be dropped and redrafted. I have been having some correspondence with the hon. gentleman suggesting redrafting.

Mr. CHURCH: Mr. Speaker, I shall be glad to accept the suggestion of the minister. I am in hopes that a better system will be installed.

Mr. SPEAKER: Order. I have no idea of what is being said. Do I understand that the minister asked the hon. member to drop this motion?

Mr. HANSON (York-Sunbury): To have it redrafted.

Mr. ILSLEY: To drop it and have another one redrafted.

Mr. CASSELMAN: In accordance with the correspondence exchanged.

Motion dropped.

SOLDIERS HITCH-HIKING ON HIGHWAYS

On the motion:

Mr. CHURCH:

For a copy of all correspondence, telegrams and other documents exchanged between any department of the government or any official thereof, and the minister of highways of Ontario, the highway ministers in the other provinces of Canada, or any officials of their departments, since the beginning of the present war, objecting to hitch-hiking on the highways by members of his majesty's forces. Also a copy of any orders in council and any correspondence exchanged with the railways of Canada with respect to the above.

Mr. CHURCH: Mr. Speaker, I ask that this motion be dropped because the minister of highways of Ontario wrote me in answer to my letter and said that never at any time had he asked anyone to stop soldiers or civilians from hitch-hiking.

Mr. RALSTON: I have written my hon. friend, who was good enough to send me a copy of the letter from the minister of highways, and I have also written the minister of highways and asked him just what I am to take from his letter. The province of Ontario is not objecting to soldiers hitch-hiking because, having regard to the act which the province of Ontario has itself passed under the Highways Act, all persons are prohibited from soliciting rides on the highways.

Mr. HANSON (York-Sunbury): But they can solicit rides elsewhere.

Mr. RALSTON: But my hon. friend the member for Broadview says that the province of Ontario has never objected to soldiers hitch-hiking whether on the highways or not.

Mr. CHURCH: The action taken to prevent it was by request of the railways. It is so stated in the return that was tabled.

Motion dropped.

WAR APPROPRIATION

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

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

Resolved, that it is expedient to introduce a measure to be called the Supplementary 1940 War Appropriation Act to provide inter alia—

[Mr. Speaker.]

1. That sums not exceeding $135,000,000 be granted to his majesty in addition to the sums granted by the War Appropriation Act, 1940, towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending March 31, 1941, for:—

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

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

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

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

2. That the governor in council be empowered to reexpend, advance or loan moneys that may be received by way of refund or repayment of advances, loans or expenditures under the War Appropriation Act, 1939, the War Appropriation Act, 1940, and the Supplementary 1940 War Appropriation 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.

YOUNG COMMUNIST LEAGUE

SUBVERSIVE MATERIAL ALLEGED TO HAVE BEEN MAILED TO UNIVERSITY STUDENTS

On the orders of the day:

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, in answer to a question asked yesterday by the hon. member for Parkdale (Mr. Bruce), I desire to say that the Royal Canadian Mounted Police are aware of the activities of the young communist league and are in possession of copies of the "Student Beacon" to which he referred. The matter is being investigated. This association was declared illegal many months ago.

ARMY CANTEENS

STATEMENT AS TO REPORT OF COMMITTEE REVIEWING REGULATIONS

On the orders of the day:

Hon. J. L. RALSTON (Minister of National Defence): The hon. member for Yorkton (Mr. Castleden) and I think the hon. member for Waterloo South (Mr. Homuth) asked me when the report with reference to the canteen fund would be available. I said that I would make inquiries from the chairman. I have communicated with Mr. Macdonnell, chairman of the committee, and also with the secretary of the committee, and I am advised that the

committee communicated with General McNaughton, general officer commanding the Canadian corps, and with the senior officers of the navy and air force in England, with a view to ascertaining what the British authorities are doing in this regard. That information is not yet at hand, but they assured me that as soon as the information is received the committee will take up the matters referred to, and I would anticipate that a report will be made with reasonable promptness. I might add that to-day, in response to a request by the hon. member for Yorkton, I have tabled the canteen regulations.

MILITARY TRAINING

INQUIRY AS TO POSTPONEMENTS IN THE FOUR-MONTHS TRAINING PLAN

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I should like to follow the suggestion made by the Minister of National War Services yesterday and inquire what answer he has received from the Noorduyn company relative to key men in the aircraft industry and the four-months' training scheme.

Hon. J. G. GARDINER (Minister of National War Services): Mr. Speaker, last evening the hon. member for Peel called attention to some questions and answers which were asked and given the night before in the house. As reported at page 1826 of *Hansard* the Minister of National Defence (Mr. Ralston) made a statement with regard to Noorduyn Aviation Limited, Montreal, and stated that the associate deputy minister, General LaFleche, had communicated with the company and was expecting a reply. I have received from General LaFleche a copy of the notes taken of the telephone conversation which took place between him and Noorduyn Aviation, Limited, as follows:

> Mr. Noorduyn informed me over the telephone early this afternoon that as yet the calling out of his employees for compulsory military training has not adversely affected the production of aircraft by his company.
>
> Mr. Noorduyn added that whether or not his industry will be hampered in the future would depend upon the successful working out of the procedure whereby any war industry or other employer may submit at any time, for consideration by the board, a plan for the advancement or postponement of the military training of any group of his employees.

DECENNIAL CENSUS

ANNOUNCEMENT OF INTENTION TO PROCEED IN 1941

On the orders of the day:

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, I desire this afternoon to make a statement to the house in connection with the decennial census which is due to be taken in June of this year.

In the minds of many persons it has been assumed that the national registration of last summer could take the place of the census. I wish to make it very clear that the information asked for under the national registration was very different from that required under the census.

The census as it has been developed in this country is far more than a mere counting of heads. I have before me the schedules which will be used. They are eight in number. The one schedule for the national registration of last year contained 16 questions. The census schedule dealing with population statistics contains 39 questions.

There is a general farm schedule comprising 167 main questions and a very great number of subquestions.

There is a special schedule for the fruit and vegetable growers of this country containing 64 questions.

There is a schedule in connection with abandoned or idle farms containing 24 questions.

There is a schedule dealing with those who may be undertaking the production of fruits, vegetables and animals on a small acreage, or to a small value. This schedule has 54 questions.

There is a schedule containing nine questions covering merchandising and service establishments; and to assist in the complete enumeration of those who may be blind, deaf or mute, there is a special schedule containing some seven questions.

For reasons which will be obvious it is proposed in connection with the housing situation to have what is known as a test census. Some twenty-nine main questions will be asked of the owner or occupant of every tenth dwelling.

This brief statement as to the schedules to be used will give hon. members a slight idea of the scope of the information which it is desired to obtain.

It will not be possible to tabulate all the details which it is expected to obtain on these various schedules in a few weeks or even a few months. This means that, if the census were to be postponed for a year, or two years,

or for that indefinite period "until after the war," particulars regarding housing, the data on abandoned or idle farms, that in connection with the general farm schedule, and other information which would be of infinite value in connection with the problems of demobilization and reestablishment of our soldiers, would not be available when it was required.

The census has been taken in the whole of Canada every tenth year since 1871; and in 1916, 1926 and 1936 there has been a federal census taken in the western provinces. Incidentally, I might point out, 1916 was a war year.

It is necessary that the information obtained be accurately compared with that obtained on previous occasions. If the period elapsing were to be eleven, eleven and a half, or twelve years, or longer, instead of ten years, this accurate comparison would not be possible.

The bureau of statistics has built up an enviable reputation for the information which it is able to provide for businesses of all types. It would be unfortunate if the value of that information were in any way impaired because of the inability of the bureau to make the necessary comparisons which must be made if the true picture of our economic life in Canada is to be obtained.

It is, of course, well known that the decennial census is obligatory under the British North America Act. The number of representatives which each province is entitled to have in this house, and the subsidy which the federal government pays to the western provinces, are based on the information obtained at this census. While this of course does not present insuperable difficulties, the amendment of the constitution at any time is a matter that should be most carefully considered.

Postponement of the census would require an amendment of the British North America Act not only by both houses of this parliament but also by the British parliament.

It is interesting to note that one of the first acts of the United States in relation to their defence preparations was to declare the census bureau a war department so that it could not be interfered with. All census employees there are exempt from any military service unless or until released from census duties. However we propose to overcome this by the selection of personnel.

The majority of the communications which I have received or the newspaper editorials and articles which have been published opposing the census this year, have been based largely on one or other of the arguments, that it is simply a matter of head counting or that the expense can be saved. I have already dealt with this first objection and shown that the intended census is far from a mere tabulation of our population. It is a much needed statistical basis for a full consideration of all economic and social problems.

The idea of saving money by postponement of the census is attractive, but it is not well founded. If the money which would be spent would in any degree lessen the effectiveness of our war effort, you can be assured that neither I nor any one of my colleagues would contemplate proceeding with the census for one moment, and of course the same is true of every member of this house. We definitely believe, however, that the value of the census to the economic life of this country far outweighs the immediate saving of the money which would be spent on a census this year. I say immediate saving because this money will have to be spent, if not this year, then next year or the year after or at a still more distant time. If long delayed the census would lose much of its real value. I might add that already approximately $100,000 have been spent in preparatory work for the census. The total cost will be spread over approximately four years although the greatest expenditure of course will take place this coming year.

The large number of enumerators who will be required will be taken entirely from among those people who would not be available or suited for war work. We propose to use ex-service men and capable women where practicable. There will be no necessity for any men to be drafted or withheld from industry because of the census. The enumerators will be selected on broad, general principles, from people of all classes who are able and available, and partisanship in this selection will be avoided. Instructions to the census commissioners will be definite in these respects.

We have had suggestions from different quarters that the census might be taken by workers on a voluntary basis. We appreciate to the full the spirit which has prompted these offers. The nature of the census, however, requires a regimentation of staff which would be very difficult if the workers were on a voluntary basis. It is necessary that the commissioners be in a position to direct their enumerators to do certain things at certain times, and, with all respect to a voluntary organization, I think the house will agree with me that many difficulties would result if voluntary workers were employed. One group which made an offer of assistance for little or no fee was the Canadian Teachers' Federation. There is perhaps no group in this country who are better able to carry out the census work or complete the intricate forms

necessary, but the census must be taken in June and it will take several weeks to instruct the enumerators before that time.

Secrecy is an essential part of the census. Oaths of secrecy must be taken by all enumerators and, for this as well as other reasons, it is essential that the commissioners be able to select enumerators having regard to their suitability. This might be extremely difficult if the work were handled through a voluntary organization.

In considering the problems to which the war is giving rise, it is most desirable that complete up-to-date information as to our economic situation be available not only for ourselves but for our allies. One illustration of this is the desirability of having complete knowledge of the situation in regard to western agriculture at the earliest possible moment so that we may deal with agricultural problems, such as wheat, with all available facts before us.

Full consideration has been given to the fact that many of our enlisted men are away from home. Arrangements have been made that all abroad as well as in Canada will be enumerated, and the information included for their ordinary place of residence.

The reasons for the census this year may be briefly stated as follows:

Failure to take the census would impair the working of the principle of representation by population. It is, therefore, a constitutional necessity.

It is a financial necessity for the purpose of determining provincial subsidies.

It is a practical necessity because of the need of comprehensive factual information on innumerable subjects by provincial governments as well as the federal.

The census is the basis of all our statistics dealing with the problems of population.

With our large immigrant population a census is the only means of determining the rate of assimilation and is therefore essential for determining immigration policy. This, incidentally, may be very much to the front after the war.

The information obtained as to occupation, employment and earnings of our citizens is essential to competent administration of social welfare legislation. This information will be particularly necessary in regard to the administration of the Unemployment Insurance Act.

The census is essential to educational administration in the provinces because the information obtained is required for the determination of present and future school problems.

The decennial census is the factual basis of the agricultural policy of the ten departments of agriculture of this country. Annual sample investigations have been made but these are unsatisfactory unless a comparison is possible with complete statistics for a decennial period.

The census of trading and service establishments has been found most valuable in the legislative work of parliament in recent years and it cannot be given up without serious loss to the country.

The usefulness of the census extends over a ten-year period. It affords much needed information to foreign countries as well as to our own people concerning developments and opportunities of investment, trade and the like.

Unless the decennial census is taken there will be many special statistical investigations required and these in all would be very much more expensive than a single census.

The census has become an integral part of our government operations. It is just as important as hundreds of functions of other departments which are being carried on from day to day unquestioned. The fact that the census occurs only once in ten years should not obscure this fact, and opposition to the taking of the census should not be based on this premise without complete evaluation of the essential factors which require a census.

The government has decided that for these and other reasons the decennial census should be taken this year. Arrangements are being made accordingly.

Hon. R. B. HANSON (Leader of the Opposition): I rise not for the purpose of opening any debate on this matter, which would be entirely out of order, but to ask a question the object of which is to clarify the position. The minister has stated that the census will be completed, $100,000 having been already spent. I understand that the commissioners in each constituency have been appointed. The minister has stated that the services of returned men and of qualified women will be used wherever available. I should like to ask him, what is the basis upon which the enumerators will be appointed? May I call his attention to a statement which he made to the house on February 21 in which he said:

> I may say that if the census is proceeded with, enumerators will be selected from all parties, returned men in all cases where available, and women where practicable.

I should like to have that position made quite clear at this time if possible.

Mr. MacKINNON (Edmonton West): That is the intention.

Mr. HANSON (York-Sunbury): That is as clear as mud. Will the minister make a statement clarifying the whole position as to the appointment of enumerators?

Mr. DOUGLAS (Weyburn): Will the minister tell the house whether the census commissioners were selected on a non-partisan basis?

Mr. MacKINNON (Edmonton West): Will the hon. gentleman repeat the question?

Mr. DOUGLAS (Weyburn): I asked, were the census commissioners selected on a non-partisan basis.

Mr. MACKENZIE KING: The minister has made a statement. If hon. members wish to have further information with respect to the matter they should place questions on the order paper. This is not the time to debate the subject. The question which the leader of the opposition has asked is proper in the circumstances, but I think the minister was equally wise in not attempting to go into an explanation at length at this time. The explanation, when given, will be satisfactory to hon. members, I am sure.

Mr. HANSON (York-Sunbury): On the orders of the day I should like to ask the minister how he is going to arrange with the census commissioner for my constituency, who is secretary of the Liberal association, for the appointment of enumerators in that constituency.

Mr. DOUGLAS (Weyburn): I was not attempting to debate the matter of the census. I was asking the minister a question on the orders of the day. I wanted to know whether or not the census commissioners had been appointed on a non-partisan basis.

Mr. MacKINNON (Edmonton West): In answer to the hon. gentleman's question, I personally have no knowledge of that. The permanent officials in charge of the census have proceeded in the same way as they have been doing every ten years since there has been a census—from 1871.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. P. J. A. CARDIN (Minister of Transport) moved the second reading of Bill No. 13, respecting the appointment of auditors for national railways.

Hon. R. B. HANSON (Leader of the Opposition): If these were ordinary circumstances I would have no objection to going ahead with the second reading of the bill, but may I point out that a week ago to-day I asked for the tabling of the report of the Canadian National Railways. That report will contain the auditors' report for the last year. We were promised it the next day. Then we were told by my hon. friend (Mr. Cardin) that it was being delayed by the printer. It has not been brought down, and I suggest that we ought not to proceed to give authority for the appointment of auditors for another year—I realize that this is more or less a pro forma bill—until we have seen the report for the last year. For that reason I object to proceeding with this order. I think the reason is a valid one, and I hope it will commend itself to the minister.

Mr. CARDIN: When the leader of the opposition the other day drew my attention to the fact that the report had not been tabled I told him that I expected to have it tabled the next day. I was informed the next day that the printing had been delayed and that the report would not be out of the printing office for a few days. The officers of the department have informed me to-day that the two reports will be out of the hands of the printers by to-morrow. There is a separate report by the auditors, and another report is also made by the board of directors. Both reports, I am informed by the officers, will be out to-morrow. As this is a mere formality, if my hon. friend has no serious objection to the appointment of the auditors, I would ask him to allow the bill to get its second reading. However, if he presses his objection I do not mind.

Mr. HANSON (York-Sunbury): I think we should have the report. There is a principle involved even if this is a pro forma bill. I am surprised that the report has not been brought down before this. There may be something in the report upon the basis of which we would not want to reappoint these auditors, although, speaking for myself, I have the greatest confidence in this firm. I know certain of their branches and know the good work they have been doing, and I would not oppose for a moment their reappointment, although there was a suggestion in years gone by that this work ought to be passed around. That, however, is not a practical question at the moment and there are good reasons against it, because this is a continuous audit and if a new firm took it over there would be difficulty. I would ask the minister, however, to be good enough to let the order stand until the report is down and we have had a chance to look at it.

Mr. CARDIN: That is all right.

Mr. CHURCH: What are the instructions issued to the auditors under the ten statutes set out in the bill—

Mr. SPEAKER: Order. The motion stands.

Motion stands.

SUPPLY

AGRICULTURE—AMENDMENT OF MR. SENN ON MOTION OF MINISTER OF FINANCE

The house resumed from Wednesday, March 5, consideration of the motion of Mr. Ilsley for committee of supply.

Mr. M. C. SENN (Haldimand): It is just three weeks ago to-day since this motion was before the house on a former occasion. At six o'clock that afternoon I was attempting to discuss the plight of the agricultural industry throughout Canada. I had stated among other things that the revenue of the average farm was insufficient to meet overhead expenses and maintain a reasonable standard of living for the farmer and his family. In proof of that statement I referred to figures in the Sirois report which showed clearly that for many years the share of the national income which the farmer has been obtaining ranged from eight to eleven per cent. A supplementary report to the Sirois report, recently brought down, shows that for the years 1936 to 1940 the farmers' share of the national income had not increased but had, in fact, been a little less than in 1936, the final year of the former period.

I had also stated at that time that because of certain action on the part of the administration, and on the other hand because of certain lack of action by the administration, there was a feeling of resentment in the mind of the farming community of Canada against the present government. As an indication of that I instanced a meeting held in the city of London at which the Minister of Agriculture (Mr. Gardiner) attended and spoke. The minister said at that time that I had left for home too soon. I am afraid that practically everyone who attended that meeting went home too soon to get any satisfaction either from the minister or from those who were present. I am afraid the minister has not properly gauged public opinion throughout Ontario, for this meeting was representative of the farmers of western Ontario. Those farmers went there that day with open minds, I believe; they hoped and expected that the minister would lay down some policy which would be of benefit to the agricultural industry in that section, and, in fact, in all Canada; but I know from those to whom I have talked that they were not satisfied; in fact, I have heard of no one yet who went away at all satisfied.

As proof of this I point out that shortly afterwards organized agriculture came to Ottawa to present their views and to ask certain things from the Prime Minister himself. The Minister of Agriculture will remember, as a great many in this house do who attended that meeting, that the minister of agriculture of Ontario voiced dissatisfaction with the statements which were made at that time, and the Ontario government have gone further and taken certain steps by way of bonusing cheese and bacon to help overcome the difficulties under which agriculture in Ontario has been labouring. That action was endorsed by all parties in the Ontario legislature, although they have stated both in the legislature and on the public platform that they thought this action should have been taken by the federal rather than by the provincial authority.

That the government feared that conditions arising out of the present struggle would add to the farmers' difficulties was made apparent at the beginning of the war, by its action in setting up different boards to deal with farm problems, and more particularly the problem of marketing farm products. A number of boards were set up; the first, I believe, was that known as the agricultural supplies board. From that board there emerged a number of supplementary boards to deal with farmers' problems and the problems of marketing farm products. The bacon board was set up, and shortly afterwards the dairy products board, a fruit and vegetable board, a seed supply committee and a fertilizer committee among others. I point out, as I believe has been done before, that the personnel of these boards ranges in number from three to eight each, yet there has not been a single producer or representative of any farm producer organization placed on any of these boards from that time to this. That criticism should be levelled particularly against the action of the government in setting up the bacon board and the dairy products board, because these two boards have wide powers, and they deal particularly with the marketing of farm products. The bacon board, for example, was given wide powers in the control of exports, and was also vested with the authority and the duty of regulating hog prices, having regard to the price which was received for bacon.

Up to the beginning of the war, exports of bacon were carried on through the ordinary channels of trade, but shortly after the war began, an agreement was entered into between the government of Canada and the British supplies board relating to the export of bacon to the United Kingdom at a set price of $18.01 per hundredweight at the seaboard. The first bulletin which came out led the farmers to believe that they would receive a set price for the hogs which they produced and marketed during that year. Unfortunately, however, that was not realized. There were continual fluctuations during that year, and

the farmers as a result were very much disappointed. They made their plans on the basis of a set price, and have been unable to realize since then a price which netted them a reasonable profit.

Last fall the Minister of Agriculture went to Great Britain where he entered into a new agreement with the British supplies board or the British government whereby prices on bacon shipped from Canada to the United Kingdom were reduced by the sum of $2.19 per hundredweight. That has resulted, as everyone knows, in a reduction in hog prices to the farmer. It has been hard medicine for the farmers to take. No one will suggest for a moment, farmers least of all, that Britain itself should be required to pay higher prices. Everyone realizes that the British people are doing their utmost in an all-out effort, and that over there they are making sacrifices the like of which we in this country know nothing about. It is, however, still true that the farmers of Canada have been asked to produce some 425 million pounds of bacon to be shipped to Great Britain at prices which will not repay them the cost of production, and which, indeed, mean a loss. Everyone will admit that foodstuffs are just as great a necessity for our war effort as any other line of production. But the farmers are not receiving the same treatment as other producers in this country, and that is what troubles them and the thing to which they object. I stated the other day, and I repeat, that munitions of all kinds are being purchased from the producer at prices which cover the cost of production plus a reasonable profit. Labour is also receiving prices which it realized during the years 1926 to 1929, giving to labour an entirely different basis from that which the farmer is enjoying.

I want to speak for a moment about the activities of the dairy products board. This is another board which was set up without any representation of producers or of any dairy organization in Canada. They were given authority and power to control exports of dairy products, and particularly exports of cheese. They have set up a number of regulations, which I shall not discuss at this time—regulations which I am afraid are taking the exporting of cheese out of the hands of the ordinary exporter and placing it very largely in the hands of two or three big exporting firms.

I should like to ask a further question of the administration, a question which is being asked by farmers throughout the dominion. Were butter prices pegged on the recommendation of the dairy products board, or were they pegged because of the statistics given to the war-time prices and trade board by the dairy products board? What prompted the idea? I should like to know, as well, why the same basis was not employed in determining the pegged price of butter as has been employed in pegging the price of labour.

Between the years 1926 and 1929, which served as a basis for the pegging of labour prices, the average high for butter stood at 44·6 cents and the average low at 38 cents, making an average, between high and low in those years, of a price about five cents higher than the pegged price of butter to-day. The minister made a statement at London, and I believe he has since repeated it in the house, that butter prices were pegged largely to control speculation, and to ensure that speculators did not make unreasonable profits. I have no brief whatever for speculators, but I believe in times past they have performed a useful function by entering the market and taking off surpluses which would have depressed butter prices to a point much lower than they went last summer, or than they have been in years past.

I believe it would have been a more reasonable idea—and perhaps this was in the minds of the dairy products board when the price of butter was pegged—to make some effort to prevent undue increases in the production of butter, and a corresponding reduction in the production of cheese. Since that time the government has seen fit to add additional powers to those already enjoyed by the dairy products board. I refer to the power to set minimum prices for butter. It seems to me that this is an important prerogative to give to any board, particularly when it has among its number no representative from the producers.

I should like to know whether, when the price of butter was pegged a short time ago, the war-time prices and trade board consulted the national dairy council. I should like to know whether it consulted any of the dairy associations throughout Canada, or whether it took it upon itself to make the price at the suggestion of the minister. If it was not done in that way, then how was it done? When they do set a minimum price, as they no doubt intend to do, I should like to know on what basis such action would be taken.

Will they, as I suggest they should, meet any of the dairy organizations in Canada? Will they take into their counsel representatives of the national dairy council, the eastern dairymen's association, the western dairymen's association or other like associations I could name? I suggest to the government here and now that before minimum prices are set by the board, its personnel should be increased, and that a representative of some of the producer organizations should be placed upon

the board, so that producers might have at least some reasonable hope that they would receive a fair deal.

I would say a further word about the agricultural supplies board, the main body. I believe that board is, to a great extent, composed of men in the Department of Agriculture. They are men for whom I have a high regard, men who are well posted in agricultural matters. I believe, however, they have failed in one aspect more than in any other. The farmers themselves are unable to forecast the demands and needs of any particular market. This is particularly true in war-time. The average farmer on the back concessions has no way of knowing what demand there will be for the production of butter or cheese or bacon or any other farm product. The only people who can form a just estimate of the needs of the market are in the Department of Agriculture itself. I believe the government and this board have failed in not guiding the farmers in the type of production which should be carried on, particularly having regard to the needs of British and Canadian markets.

For many years past—in fact, ever since I can remember—the prevailing idea in the marketing of farm products has been that that marketing must be governed by the law of supply and demand. I am afraid to-day that is an inefficient method of fixing a price structure for agricultural products. It simply means that in all lines of farm production we have cycles of plenty and cycles of shortage. Unfortunately the farmer loses at both ends. When there is plenty, or when there is a surplus on the market, prices fall below the price of production. When there is a shortage, unfortunately the farmer usually has little to sell, because that is the very condition which creates the shortage.

Agriculture is the only industry in Canada I know of which does not enjoy some sort of price-maintenance scheme. Labour unions have their union scale of wages; they have their eight-hour day, and their hours of labour regulations. The price paid for manufactured goods bears some relationship to the cost of production plus profit. Civil servants and salaried people know at the beginning of the year what their incomes will be during that year. Retailers, wholesalers and others in distribution businesses make mark-ups from time to time. Doctors, lawyers and other professional men have schedules of fees to which they adhere more or less closely. Rates for all types of public services—freight rates, passenger rates, telephone rates, water rates, gas rates—are set by government bodies, such as the board of transport commissioners. The farmer is the only one who is at a disadvantage because he still employs an outmoded and antiquated method of setting the price structure which from time to time he enjoys.

There are one or two further factors which enter into the determination of the price structure of farm products. One of those factors is this: The price received for the exportable surplus to a very great extent determines the domestic price of farm products. I have in my hand a circular sent out by the bureau of statistics showing the percentages of farm products which from time to time have been exported. For the information of the house I shall place on record the figures for 1939, the last year for which information is available:

Product	Percentage exported (per cent)
Live stock	17·8
Field crops	19·7
Total dairy products	8·4
Poultry products	1·1
Total live stock and animal products	11·2

Yet it was the 11 per cent of live stock and animal products exported which set the domestic prices paid for those products throughout Canada. It seems to me that this is clearly a case of the tail wagging the dog. Until some other method is devised to determine the farm price structure, the farmer will never enjoy the prosperity to which he is entitled.

Another factor which affects the farm price structure is the competition of imported goods of different kinds in the home market. This is particularly apparent in the case of fruits and vegetables. I shall not, however, deal with this matter in detail because it will be referred to later on.

I should like to mention one other matter which I think is important, namely, the importation of vegetable oils. For the past few years we have been importing immense quantities of vegetable oils which come into direct competition with animal fats produced in Canada. You cannot turn on the radio during the day without hearing these imported oil products such as crisco and so on, being advertised. On more than one occasion I have suggested to the present administration that a similar advertising campaign should be carried on for animal fats such as lard. The United States has undertaken such a campaign and has put out a circular, a copy of which I have in my office, advocating the use of lard instead of oleomargarine and vegetable oils of different kinds. To-day lard is selling in carload lots for as low as four and a half cents a pound when it is being bought in the carcas from the farmer at nine to nine and a half cents a pound. Whatever the price may be, the price of the whole hog is lowered because the packer must take a loss

on the lard produced from the particular animal. If I had the time I could quote the prices paid for tallow, grease and so on, but I will leave this for other hon. members who will follow.

One of the greatest difficulties faced by the farmer in connection with his price structure is the rapid and violent fluctuations which take place from time to time. Throughout the years there has been a constantly widening margin between producer and consumer prices. I do not know who can be blamed for that, but it is undoubtedly true. The farmer must plan for some time ahead if he is to produce wheat, dairy products, beef, pork, fruits, vegetables or any other product. If prices change in the meantime, he finds that when his product goes on the market he must accept a price which is much lower than he expected and at which he cannot make a profit. I believe, if farm prices could be stabilized—and I am not asking that they be stabilized at excessive figures—the farmer would be in a much better position and could make his plans ahead with confidence.

The other day the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce (Mr. MacKinnon) outlined the wheat policy of this government. I realize that this is an important matter, but I do not intend to deal with it at any length. The hon. member who will second the amendment which I propose to move in a few minutes, the hon. member for Qu'Appelle (Mr. Perley), is, I believe, one of the best authorities on wheat problems in this house. From time to time the suggestions which he has made have been accepted by this and former governments. I am going to leave it to him to deal with this question of wheat.

There is, however, one thing I wish to say, and I shall try to condense it into one or two sentences. I believe the farmers of eastern Canada will resent most bitterly the proposal of the government to pay the western producers of coarse grains a bonus of $2 an acre when those grains will be fed to live stock which will compete with stock from eastern Canada where no bonus is being paid. How my Liberal friends from rural ridings in eastern Canada will be able to sit quietly by without making any protest is beyond my imagination. I have talked to several of them, and I know they appreciate the disadvantages under which the eastern producers of grain will be placed by this move on the part of the government. Already the western hog producer is feeding grain which he cannot sell at prices sufficient to pay him his cost of production. If he is to be bonused, I am afraid it will result in the total demoralization and ultimate ruin of agriculture throughout the Dominion of Canada.

I do not believe that this particular programme is popular in all parts of the west. If I am correctly informed, delegations have arrived in Ottawa since the programme was announced to protest against it. I have here a report which appeared in the Regina *Leader-Post* of March 20, headed, "Motion against wheat programme at Abernethy." I believe Abernethy is either in the constituency of the Minister of Agriculture or very close to it.

Mr. GARDINER: It is my second closest home town.

Mr. SENN: Here is the report:

A resolution protesting against the recently announced federal wheat marketing policy was passed at a public meeting held under the auspices of the local wheat pool committee here Saturday.

With Elton Dick presiding, discussion was lengthy, those present, comprising some thirty farmers of the district who struggled through the worst blizzard of the season to attend, opposing the dominion government programme and expressing approval of the policy endorsed by the Saskatchewan legislature.

After considering a number of resolutions, the following was finally adopted as the consensus of opinion of the gathering:

"Be it resolved that we, the villagers and farmers of the Abernethy district, recommend that the worm turn now on the prairie, as it did about two months ago in London, Toronto and Ottawa, all in old Ontario, by requesting the Saskatchewan cooperative conference recommend to president Hannam that an emergency assemblage of all the agricultural confederated clans of Canada be called forthwith to march on Ottawa and present our views, not only on this latest evidence on how much our present federal government really does love the wheat growers of the west, but also the still hangover problem of bacon and butter and allied questions, some of which call for immediate elucidation and possible remedial action."

I am going to leave it as it stands. I think it demonstrates most clearly that the announced wheat policy is not popular throughout the west, and it certainly is unpopular here.

Another difficulty which faces Canadian agriculture is the shortage of farm labour. Farmers have never been able to compete with industry in the labour market. The hours of labour on the farm must of necessity be longer than in the factory. With the present levels of farm prices the farmer cannot possibly pay wages equal to those enjoyed by workers in the city. This condition is aggravated by the necessities of war. Referring again to the Sirois report, and taking the year 1940 as a basis, I find that the estimated cash expenditure of the average farm is $453 for the year. Included in those cash expendi-

tures are wages, municipal taxes, threshing bills, blacksmith bills, bills for repairs and a number of other items. It will be seen that the farmer cannot pay much for labour.

All during the past year there has been a constant exodus of farm labour and sons of farmers to the cities where employment can be obtained at wages far above anything the farmer can pay. Only the day before yesterday I heard a radio broadcast comment upon the large number of farm sales being advertised in our weekly press. This is an indication of what is taking place on the farms of Ontario where owners are finding it impossible to carry on because of a lack of farm help. In my opinion such a condition of affairs must ultimately result in a shortage of production on the farms and in a lack of proper cultivation. After all, it is the production and marketing of primary products which to a very large extent determines the buying power of any nation. Of the four great primary industries in Canada, agriculture, mining, fishing and lumbering, agriculture is the only one which produces without depleting our resources. Each year vast quantities of agricultural products are produced from the soil; and if proper methods of fertilization, crop rotation and cultivation are practised, the soil will not be depleted. Considerable cost is incurred in seeding, harvesting, processing and marketing our farm products, and unless and until they can be marketed at prices which will pay the cost of production and provide a reasonable profit, neither agriculture nor any other industry in the country can obtain its maximum prosperity nor can Canada exert its maximum war effort. Recently Mr. David Lloyd George made in the House of Commons in England a speech in which he said:

> We must see that the farmer gets a reasonable return. It is no use thinking you can compel him to cultivate his ground to the utmost; you must make it worth his while. You must bring him along as a willing helper. There are four arms of war services—the army, the navy and the air force, and the fourth is equally important, namely, agriculture. Foodstuffs are necessary. The very life and security of the empire depends upon it. If it fails, the other three cannot succeed.

There is no more loyal person in Canada than the farmer. His surroundings and environment promote love of country and lead him to cherish the soil from which he sprang and from which he wrests his living by the sweat of his brow. No people are more anxious to do their full share in our war effort, and our farmers feel most keenly their inability to subscribe to war charities and to purchase government securities at this critical time. I cannot urge upon the government too strongly the imperative duty that confronts our government to take measures to provide conditions in agriculture which will enable this important element in our national life to do their share in the great effort in which we are engaged.

I therefore beg to move, seconded by the hon. member for Qu'Appelle (Mr. Perley):

> That all the words after "that" in the motion be struck out, and that the following be substituted therefor:
>
> it be resolved that the government should take immediate steps to create a parity of prices as between agricultural and other products in order to improve the condition of Canadian agriculture and in order that it may receive a just and fair return, and thus be enabled to make that contribution to Canada's war effort which is so desirable, and which our agricultural population so greatly desire to make.

Mr. E. E. PERLEY (Qu'Appelle): Mr. Speaker, I am pleased to associate myself with the mover of this amendment, the hon. member for Haldimand (Mr. Senn), who, I think, has covered very well the whole field of agriculture and more particularly that branch which affects eastern Canada—the dairy industry, butter and cheese; live stock, bacon and hog prices. He also dealt with the agricultural boards that have been set up by the government, and showed the results of their actions.

I think it is apparent to all of us, after listening to the hon. member and after what we have heard in the house and seen in the press in the last few days, that the plight of agriculture is a problem second in importance only to that of the war. I could substantiate that by quoting from the western press and showing what happened in the legislature of Saskatchewan, which on a motion to adjourn to discuss a matter of urgent public importance, as it was designated, took a whole day to discuss the problem of agriculture. I could cite other quotations from newspapers all over the country to show that the whole of Canada is agitated over this problem and realizes that it is second in importance only to that of the war.

Practically 50 per cent of the population of Canada depends upon agriculture, and 75 per cent of the farmers of western Canada are directly dependent upon wheat. During the last ten years the farmers of western Canada have had some difficulty in carrying on; but let me assure you, Mr. Speaker, that the farmers of the west are just as anxious and willing as any other class of people in Canada to-day to sacrifice and do their part in winning this war. In support of that statement I want to put on record a report from the director of public information which came to hand last Friday. Under the heading of "Gifts from far and near to

Canada's cause," it says that three contributions of $1,000 each have been received, and it names as one of these contributors Mr. E. C. Skinner of Indian Head, a pioneer farmer of that district and a resident of my constituency. I am pleased indeed to put that on record. He is a farmer who is anxious and willing to do his part in this war.

If we had time to review agriculture over a number of years, say the last thirty-five years, we would find that there have been periods of prosperity among agriculturists in Canada, but I regret to say that we would also find that there have been times of depression, and these depression periods have taken a heavy toll. If we look at the situation to-day, we may well become alarmed, for the problem of agriculture to-day is so acute that it is now a direct responsibility of this government—and they are not doing very much to adjust and square it away. Whatever policy is adopted by the government must be of a permanent nature, based on a long-range view.

In the period from 1930 to 1935 the Bennett government, when agriculture was in similar circumstances to those prevailing to-day, tried to do much for the farmer. It will be recalled that the Bennett government introduced many measures for the benefit of the farmers which were not supported by the Liberals who then were sitting on this side of the house. Since 1935, when there was a change of government, conditions have gradually grown worse until to-day we have a situation where the purchasing power of a bushel of wheat is only 50 per cent of what it was in 1926.

Mr. GOLDING: What was it in 1932?

Mr. PERLEY: The lowest in the history of the world, and it is very nearly there now.

Mr. GOLDING: The hon. member said that this was the worst period.

Mr. PERLEY: The worst condition in which agriculture has found itself, and I trust that the hon. member who is interrupting will stay glued to his seat until I get through, because he will have his chance to speak later on.

Since 1939, less than two years ago, we find from the index price of materials that there has been an increase of 8 per cent on the average in the prices of commodities the farmer has to buy. I will mention a few items. The cost of machinery and equipment has increased 26 points over 1939; the cost of transportation has increased several points; building materials have gone up 29 points. Clothing, hosiery and women's apparel have gone up 16 points, and drugs 35 points. I could quote many similar increases if I had the time.

The hon. member who has just taken his seat referred to the increase in wages paid to labour, and the index shows that, compared with 1926, there is an advance of 91 per cent. The farmer sees no reason why an approximate balance should not be maintained between the wages obtained by factory workers and the prices he receives for his goods. If that principle were applied, on the basis of the increases received by labour, a bushel of wheat should now be worth $1.39 instead of 70 cents at Fort William; bacon should be $10.50 per 100 pounds, instead of $8.30; butter should be 49 cents a pound instead of about 37 cents. Apparently the government has lagged during all the last two or three years, instead of bringing into operation some method of reducing this disparity. Prices of the commodities the farmer has to buy have advanced, and prices of the commodities he sells have been declining. A parity of prices should be reached. I am sure that the farmers of western Canada would not care if wheat went down to 25 cents a bushel so long as the prices of the commodities which they have to buy, and which go into their costs of production, went down to an equivalent extent.

The Minister of Agriculture (Mr. Gardiner) knows the situation. The agriculturists of Canada, and particularly the people of the west, are looking to him more than to any other member of the government to correct the present state of affairs. Why does he not take the action which he knows is necessary and which he has the power to take? I appeal to his supporters to put pressure on him in that regard. I recall, as the house will recall, some of the statements and promises he has made in this chamber and when speaking in western Canada. We remember a speech which he made in this house warning the implement companies of what would happen if they did not reduce prices of implements. What happened? We have to-day a condition whereby it takes 650 bushels of wheat to buy a binder.

An hon. MEMBER: Shame!

Mr. PERLEY: The minister knows that grain prices should be higher. I can here quote from a newspaper of January 30, in which it is stated that the Minister of Agriculture said that prices should be higher all along the line: he spoke to that effect when a delegation representative of the Canadian federation of agriculture met the entire cabinet

in Ottawa. I have other quotations here to show that he knows that prices should be higher all along the line.

The hon. member who spoke before me dealt, as I have said, with that branch of agriculture which is more or less diversified and is of particular interest to the east. I come now to this question of wheat. What about it?

This afternoon I am going to offer the house something new. I do not hesitate to do so, because on many occasions I have made original suggestions which, although described by some hon. members opposite as moonshine, have been put on the statute books, even by the present government, and within the last two years.

Before presenting the suggestion, however, I wish briefly to review the situation since 1939. I recall the statement made by the Minister of Trade and Commerce (Mr. MacKinnon) in which he outlined the situation with respect to wheat. Let me say this, that no matter what we adopt as a national policy, every branch of agriculture must be considered and the whole problem dealt with from the long-range point of view. I would encourage the cooperation of every branch of agriculture.

But I wish first to protest against what has been going on in this city and outside this house during the last two or three weeks. The other day, when I asked that the house should have an opportunity on a certain day of discussing this all-important question of wheat, the Prime Minister (Mr. Mackenzie King) replied that the ministers were too busy, and that they had had to be in their seats while the discussion was going on upon the resolution preceding the bill which is before us to-day. Well, we know the more important ministers have not been in their seats. I refer particularly to the Minister of Agriculture and the Minister of Trade and Commerce. We know they have been meeting groups from western Canada. They have conferred with western Liberals, representatives of the western governments, representatives of municipal organizations, and others. We know that what I would call a hole-and-corner business has been going on. That is evident from the reports in the press. To show the house what a dictatorship this is, may I quote from the Ottawa *Journal*, which, in its issue of March 26, has this to say:

Start Wheat Policy.

Regina, March 25.—Machinery for preliminary operation of the federal wheat policy aimed at reducing acreage seeded to wheat this year was set in motion to-day immediately upon return of J. J. McGurran, secretary of the Saskatchewan association of rural municipalities, from Ottawa.

Why is this announcement made out there? The machinery is all set up, and we as a parliament have to swallow it, to agree to it when the minister has already started it in the west. The announcement could have been made here long ago. This problem did not arise overnight; it has been with us for months, and the announcement should have been made in this house; for we, as members representing western constituencies, know the situation as well as many of these men who have been in these hole-and-corner meetings.

The situation caused by the accumulation of wheat, this surplus of which we hear so much, is pretty well known, and it is not necessary for me to comment on it. I would, however, say this, that at the present time the farmer is not in a position immediately to adjust his system of operation to the extent of 35 per cent reduction in the seeded acreage. I contend that this is too drastic a step to ask them to take in one year. If the process had been spread over a number of years, it might have been effective and the farmers would the more readily have fallen into line.

Since last fall many and various suggestions have been made to the government by various organizations—provincial governments, municipalities, pools, and others. I am in accord with quite a number of the suggestions and recommendations which have been made, for the simple reason that I, two or three years ago, proposed most of them. I am in accord, first of all, with the quota system or permit system as recommended by the western pools and the provincial governments. Why? I have here a statement taken from *Hansard*, 1934, pages 375-6, which reports the suggestion I then made of a permit system in order to curtail the production of wheat. I said at that time that my plan was (a) to determine the requirements by adding to the export quota the domestic requirements, and (b) to determine the acreage seed required to produce wheat in one year; and, dividing (a) by (b), to arrive at the number of bushels to be delivered under the permit. We were in difficulties in 1935, as hon. members will remember; and when I tried to sell the idea to my leader, he thought that it might be a little drastic, and that the farmers were not prepared to submit to any enforced restriction of production. However, had that scheme been brought into force at that time, our situation to-day would have been much better.

An increase in the price to 85 cents per bushel has been suggested by the government of Saskatchewan. I certainly will support that. I have always said that the price should be around 90 cents; that 70 cents was not sufficient. Had the government set it at 85 cents and carried out the processing tax of 50

cents a bushel, they would have arrived at a price of more than 90 cents a bushel, and the result would have been much more satisfactory than what they propose to do.

It has been suggested that storage on the farm should be continued. I suggested that two years ago. Financing the farmers to build bins on their farms to earn the storage is something that should be carried to the limit, because they would have the grain where it should be stored. I shall have something to say again with respect to the processing tax. It is my baby, so to speak, and I am going to boost it on every occasion that offers.

I wish to come for a moment or two to a statement made by the Minister of Agriculture, who is smiling. I may say something that will change his smile. The other evening he outlined the policy. May I say to him, with regard to his suggestion of a system for bonusing summer-fallowing of wheat land that is not seeded, that he is suggesting something which a great many farmers, and good ones too, because there are many good farmers out there, have already undertaken on their own initiative. They have already adjusted their operations. Seeing what was happening to the market, prices of the surplus—and we know that when the surplus increases the price goes down, because that is simply a part of the law of supply and demand—many farmers have already adjusted themselves to the changed situation, and they made the adjustment long before the minister thought about it.

I might cite my own case. I am going to summer-fallow 725 acres; I have a contract in my office to have it done. Last year we sowed only 540 acres of wheat on that farm. This simply shows that many farmers have already begun to adjust themselves to conditions.

The minister speaks about farm income remaining around $325,000,000. He provides for taking only 230,000,000 bushels this year at a net price to the farmer of 50 cents. That brings the income to $115,000,000, but he compensates by summer-fallowing to the extent of $36,000,000, and it is estimated that from coarse grain there may be another $19,000,000, making $170,000,000. This is with reference to the western farmers. He is short $155,000,000, which must be made up from some other source, but in doing this his objective is to reduce the seeded acreage by 9,000,000 acres which, at an average of fifteen bushels, which is quite possible, would give 135,000,000 bushels less. At 50 cents a bushel, this would be $67,000,000. He compensates $36,000,000, so that there is a difference of $31,000,000.

[Mr. Perley.]

As a matter of fact, what the 290,000 farmers in the west are being asked to do is to live on the proceeds of 65 per cent of last year's seeded wheat acreage. That cannot be done. The minimum income on which the western farmers can live would be the revenue from the sale of wheat alone amounting to $150,000,000. They did not get by very well last year when practically all their wheat was delivered, netting them over $250,000,000. What should be done therefore, if it is desired to maintain the income of the farmers and enable them to get by, would be to take 230,000,000 bushels of wheat and make the price 85 cents, as the province of Saskatchewan and the pools have asked. A price of 85 cents would net a little more than $150,000,000.

I am not worrying very much about surplus wheat. It may be a blessing in disguise, because we know that wars have not been lost in consequence of having a great surplus of wheat or of other foodstuffs. The danger lies the other way. A little later, perhaps to-morrow, we may have occasion to review the minister's proposal in greater detail—that is, the bonusing of a part of the wheat acreage of last year for summer-fallowing. I would, however, say this in passing. The minister certainly discriminates against the small farmer, the man with a half section. The farmer with 300 acres under cultivation last year cropped 120 acres; he had coarse grains to the extent of 60 acres and he summer-fallowed 120 acres. This year he will crop 80 acres; coarse grain will account for 60 acres; and he will summer-fallow 160 acres. Taking an average of 10 bushels to the acre—and I am being kind to the minister because they will get more than that—he will have 40 acres less, which at 10 bushels to the acre would mean 400 bushels, and at 50 cents a bushel this would represent $200 to the small farmer. It would cost him at least $2 an acre to summer-fallow the 40 acres, which would be $80. He has to do most of it by horsepower. His compensation, 40 acres at $4 an acre, amounts to $160, so that his net return is less by $120. If I had time to review the figures for the farmer with 1,000 acres, I could show that on a similar basis, reducing his return by 30 per cent, he is only out $240 when he gets his compensation. That is, taking 1,000 acres as against 300 acres, he is only out double, which is not proportionate.

The minister for many years has been getting a vote on account of the Prairie Farm Rehabilitation Act. He has been given $3,000,000 in some years, the purpose being to bring a part of the province of Saskatchewan out of the dust-bowl. Now he asks the

farmers out there to reduce their seeded acreage by 9,000,000 acres, and at one swoop he is going to bring back into the dust-bowl 9,000,000 acres more on the 1st of July. God help the people out there if winds prevail as they have been doing for some years, with 9,000,000 acres more of blackened land turned to the sun. The money he has been spending will go for naught if he pursues the policy he is following. Two years ago, in discussing the act, he said that the whole problem was to save the small farmer, and now he is discriminating against the small farmer. I understand from reports in the press that he is going to argue that this new proposal means 86 cents for wheat. I suggest that he will have quite a time persuading some of the farmers out there that this is so, because they will proceed along their own lines more or less, although they are willing to cooperate if anything reasonable is brought forward. Many will receive the bonus who are not entitled to it. The minister did not tell us, but I suppose he will give us some idea to-morrow regarding the cost of administration.

I have read a quotation showing that he will employ the municipalities. The municipalities are pretty well loaded up now with work. I do not know what he will do. That policy should have been announced here instead of in Regina. I should like to know what it will cost to have inspectors and supervisors, and he is even asking the municipalities to do that work. He is going to set up a machine such as we have never known before. We have already had experience with the Prairie Farm Assistance Act and the Prairie Farm Rehabilitation Act. There are 290,000 farmers to be inspected and the inspectors will have a nice job.

Let me now come to the statement of the Minister of Trade and Commerce. He gave a realistic picture of the situation. First, dealing with the surplus and deliveries of the last crop, he said that the quota system had been generally satisfactory. I was pleased to hear that.

The farm storage is working out satisfactorily; he said the farmers were holding their grain to get the storage. I was pleased to hear that. He referred to the increased acreage following the last war. That increase came about from a patriotic point of view; an appeal was made to the farmers to increase their seeded acreage of wheat as a contribution to the war effort. He referred to the possible disappearance next year of 307 million bushels, dealing with it from the point of view of domestic seed and feed and possible export. Then he dealt with the carryover of 550 million bushels. The total storage he figured out at around 582 million bushels. Then he made the statement that the government's investment was now $400,000,000 which required between $50,000,000 and $60,000,000—nearer $60,000,000—a year to carry it.

He stated that they are going to take only 230 million in order to encourage a reduction in the seeded acreage. The 70-cent price remains; it is not enough. The storage on the farm is paid only on the balance of the 230 million which they propose to take that is not delivered. I regret this. I think the farmer should be paid storage on all he has on his farm.

There is no change in the processing tax. I regret that. That processing tax should have been increased to 50 cents, as western provincial governments wanted. Why? Because the price of the loaf of bread should not be increased at all by reason of a 50-cent processing tax, making wheat come to $1.20 or $1.25 a bushel. The price of a loaf of bread should not be more than seven cents. There is the greatest racket going on that one can imagine in the big mill-controlled bakeries throughout Canada. There should be an investigation of them by this government. Yesterday I talked with the Canada Bread Company in this city; they make forty-six loaves of bread out of a bushel of wheat. At ten cents a loaf this comes to $4.60, whereas the farmer gets fifty cents. There is something wrong. I have talked with the mills, and they have admitted to me that the price of bread was away out of line with the price of wheat. If the processing tax were fifty cents, the price of bread should not go up at all, so we should have it because it means that at least $25,000,000 would be added to the price of the 230 million bushels. There should be an investigation into this bread business.

There are two methods by which to control production; first, by the power of the government; second, by voluntary action on the part of the producer. I believe the producers themselves will adjust their operations to meet the market and price conditions; there is no need for this action on the part of the government. Never has a question of such importance had so little discussion in this house as this all-important question of the production and marketing of grain. I refer to the pool statement when the announcement was made, that they were surprised and dismayed in the west, and they go on and state why.

In the few minutes remaining at my disposal I wish to offer something constructive.

I am going to offer now what I think is the first step in the solution of this problem, and I should like the house to listen.

The problem divides itself into two branches: first, production, and second, marketing. By the first the farmer cultivates his fields, seeds and harvests the grain, and delivers it to the elevator. By the second the elevator takes in the grain, weighs, stores, ships and sells it. The farmer works at less than cost of production; and under the second, huge profits accrue to those all along the way. There are many injustices being practised. Under the present system there has prevailed a desire on the part of the elevator companies to hold the grain back in the country in order to gain the storage payment. We now have an order in council, P.C. 1225, passed on February 29 I believe, authorizing the building of 50 million bushels additional storage capacity at Fort William. Elevator men say it will cost about $5,000,000 to build. At prevailing rates of storage, about $4,000,000 a year will accrue to those who are building them and the capital is written off in two years. That is an outrage, and should not be permitted. I have always claimed that storage rates on grain are too high. I have here a statement made by the hon. member for Wood Mountain (Mr. Donnelly) last year, which goes into that fully. This storage space should be built on the farms; the farmer should be encouraged to add to his storage the 50 million bushels. That would earn him, if storage rates are what they should be, one cent a bushel a month on the farm, or $120 a year for one thousand bushels. Then this $6,000,000 would be earned by the farmers instead of by the interests at Fort William. I make this statement, that under present storage charges the whole elevator system in that western country will be paid for in less than five years.

Here is my proposal. We have a war on. The other day we had two ministers of this government opening the war services campaign in front of the national war memorial, urging women and children to save their nickels for the war. Yet here we have the government permitting a system under which certain interests are getting huge profits beyond all reason. I suggest that this government proceed to take over, commandeer if you like, all the elevators and storage space in western Canada from Fort William to the coast. They should operate it by a board; I could name forty men in western Canada who could do it. Let the prevailing storage rates be paid, paying the capital out in five years. If I had time I could give figures showing how it would pay for itself at present storage rates in three and a half years, as well as pay for the operation of the scheme. This proposal comes to me from a late president of the grain exchange—I am permitted to use his name if I desire—and many others who are interested in the grain business. They see what has happened; they know the solution. This is nothing new; it came to me not only this year, but in 1935 when we tried to persuade Mr. Bennett to do the same thing.

What is going on? Under the annexes that are being built in western Canada we have a system under which a 30,000 bushel capacity annex is permitted to earn $2,400 a year. It costs to build not more than $2,000; it pays 120 per cent on the initial cost. Then we have the statement I have just referred to as to fifty million bushels capacity to be built in Fort William, costing not more than $5,000,000, with an earning capacity of $4,000,000 a year. That is an outrage.

I have here a statement that I should like to be permitted to read or place on *Hansard* because I think it is valuable information. What does this all mean? I said we should take over the whole system. These are the figures issued by the bureau of statistics recently and in the "Canada Year Book". We have 5,678 elevators in western Canada west of Fort William with a capacity of 191,000,000 bushels, and at an estimated value of $62,000,000. We have thirty-four terminals in Fort William and in the west—twenty-nine at Fort William and Port Arthur, four at the coast and one at Churchill. Those elevators have a capacity of 127,500,000 bushels, and are valued at $42,000,000. We have 3,000 annexes built, with an estimated space of around 80,000,000 bushels, and at a cost of $5,000,000. We now have provision for a further 50,000,000 bushels at Fort William at a cost of not more than $5,000,000.

In this computation I am not including the mills or eastern terminals at Halifax, Saint John or along the St. Lawrence river. We find that we now have in western Canada a total elevator capacity of 411,500,000 bushels, plus 50,000,000 bushels at Fort William, making a total of around 460,000,000 bushels in western Canada, at a capitalization of $120,000,000.

I have here a statement of earnings. If taken over, that system will earn $40,000,000 a year. I have it all figured out—8,678 country elevators and annexes with a space of 266,000,000 bushels, at a rate of eight cents, making a total earning of $21,280,000. Then, there are thirty-four terminal elevators with a capacity of 127,500,000 bushels, earning $7,650,000; there are interior terminals with a space for 18,000,000 bushels, at eight cents, making a figure earned of $1,460,000; and then there is

the 50,000,000 bushels added at Fort William, at eight cents, making $4,000,000, or a total earning of $40,000,000.

That is, in five years the estimated earnings would be over $220,000,000. I have here allowed for $17,460,000 for operating expenses. That makes so much a unit. The whole set-up will pay for itself in three and a half years, running expenses included. The Minister of Trade and Commerce has stated that we have an investment of $400,000,000, and that it is costing about $60,000,000 to carry it. In the way I have indicated the whole thing can be taken over as a war measure, and would accrue to the interests of the producers. Had I the time I could show where these elevators have paid for themselves, five, six and seven times over. I can tell the minister where elevators in western Canada have paid the capital investment back in one year by storage charges, elevator fees, and profits on grain, and where money has been made on those investments. They have paid for themselves in one year. The Minister of Mines and Resources (Mr. Crerar) knows many of them. Some of those elevators are from thirty to forty years old.

This is a war measure. If this government does not do what I have suggested, if it permits a condition to prevail where it has a capital investment of $400,000,000 and a carrying charge of $60,000,000 which, at the present rate of borrowing, is equal to a debt of $1,800,000,000, and if it does not take over as I have suggested, and place this organization in operation, it will not have done its duty.

I have a statement before me setting out how I would operate it. I would operate it by a board of seven or eight members, to which the government would name the majority and the chairman. The producers in western Canada would name the remainder. It would be subdivided into three groups, one of which would manage the country elevators; the second, the terminal elevators, and the third, the export and financial end of the business. I would commandeer the pool organization in western Canada if necessary. They have an organization already set up which would run it, and run it well. This $60,000,000 now paid to carry the wheat would accrue as an asset of the people of Canada, and to the producers in western Canada. It is theirs. They have paid for it five or six times over, and I could bring figures to prove this.

I say that any government which has a capital investment in wheat of $400,000,000, costing $60,000,000 to carry, and which has an opportunity to take this great asset that really belongs to western Canada, and does nothing, is remiss in its duty and will go down in history as being so. I shall not say more on that point at this time, because I shall have an opportunity to speak later on, and to place on record figures to show what could be done.

The other day the Minister of National Defence (Mr. Ralston) stated that the government was organizing every industry and all man-power for war purposes. Why not organize this industry? Why not put it under control? This matter should go to a committee of the house of from thirteen to fifteen members—and not to the committee on agriculture. I suggest that the government set up a committee of thirteen and send this matter to that committee. Let the Minister of Agriculture and others appear before that committee. Let those people from western Canada who have been sitting around here in Ottawa for two weeks have a chance to appear before that committee and give us any information they may have. In that way we would get valuable information. I would take the same position as was taken in 1935 by the Liberal party when the present Minister of National Defence then sitting right here said, "We will not allow this measure to pass if we cannot have it before a committee, and get information." When it came back from committee the members had received valuable information. They did not think for one minute that such a condition had prevailed. The committee I propose would get valuable information and could report back to the house. If we could set up that committee we, as representatives of the people of the west, who have a responsibility in this House of Commons, would do something worth while.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, the hon. member for Qu'Appelle (Mr. Perley) in the last part of his speech reminded me of two experiences, one of which I had almost forgotten. About a year ago the Minister of Justice (Mr. Lapointe) was speaking in Vancouver. A man sitting in the gallery insisted upon heckling him. Finally the Minister of Justice said to him, "My friend, I used to be a good debater; at one time I won a medal in a debate in a university. I should like to have a debate with you, but really I have not the time to have it to-night." That ended the heckling.

The other incident of which I was reminded was the first time I had had the privilege of speaking to an audience of any considerable size, when I spoke on the question which has just been discussed by the hon. member for Qu'Appelle. It was at Winnipeg in 1910, when the livest issue in western Canada was that

of government ownership and control of elevators. Well, I am not going to say this afternoon that as a result of delivering that speech they did get government ownership and control of elevators in Manitoba. But those who come from that province will remember that in 1910 the government of Manitoba took over the elevators in that province.

Mr. CRERAR: Political friends.

Mr. GARDINER: My colleague says that they were political friends of the hon. member for Qu'Appelle.

Mr. HOMUTH: That was not necessary, was it?

Mr. GARDINER: They operated those elevators for a time, and they stand to-day as one of the outstanding—I was going to say business failures, but probably I should say political failures—in the history of business in Canada. So that there is nothing new in the proposal that the government should take over the elevators. There is nothing new in the suggestion that so much per bushel should be paid for storage capacity in an elevator. Governments have done it before; governments have tested the principle and have proven that it is difficult for governments to operate a system of business houses such as elevators and do it any more successfully than private individuals have been able to do it.

But I did not rise to discuss the wheat question. On three occasions I have attempted to get the agriculture estimates before this house. Hon. members on the other side of the house who have been intimating that the discussion of agricultural matters has been delayed by the government forget the fact that the only estimates that have been placed before the house, other than war estimates, are the agriculture estimates, and that these were brought down at the very beginning of the session. When I brought them into the house some weeks ago I was asked by the hon. member for Souris (Mr. Ross) to outline the government policy with regard to agricultural matters. That was about half past ten o'clock at night and for half an hour I proceeded to outline the policy of this government in relation to agriculture.

On a subsequent occasion, when an effort was made to bring these estimates back before the house, objection was raised on certain grounds. On a still later occasion an effort was made to place these estimates before the house, and three weeks ago the hon. member for Haldimand (Mr. Senn) rose in his place to move a vote of want of confidence in the government by way of amendment to the motion that the Speaker do now leave the chair. My hon. friends on the other side of the house twit the members of this government and me as Minister of Agriculture with not having given them an earlier opportunity to discuss agricultural matters. I submit that the only reason we have not been discussing matters in relation to every branch of the Department of Agriculture is that there has been an effort on the part of the official opposition to see that the agriculture estimates did not properly get before the house up to the present time.

If any objection is taken to this remark, I need only recall the threat which was made the other night by the leader of the opposition (Mr. Hanson) when it was suggested that unless we did certain things, certain votes would not be permitted to pass this house. The question whether we were to have agriculture estimates was under discussion at the time that threat was made. Again I suggest that ever since the house opened the government has been persistent and insistent in its effort to get before this house a discussion of agricultural matters.

To-day we have been listening to discussion of an amendment couched in terms intended to put every hon. member of this house in a difficult position when voting upon it. The amendment reads:

> That all the words after "that" in the motion be struck out and that the following be substituted therefor:
>
> "it be resolved that the government should take immediate steps to create a parity of prices as between agricultural and other products in order to improve the condition of Canadian agriculture and in order that it may receive a just and fair return, and thus be enabled to make that contribution to Canada's war effort which is so desirable, and which our agricultural population so greatly desire to make."

Apart altogether from the fact that this amendment, in the form and at the time it has been submitted to the house, is a vote of want of confidence in this government, it must be clear to all hon. members that every single suggestion contained in the amendment has been in effect ever since war was declared, indeed was in effect for at least four years before. The only reason they were not in effect during the whole of the fifteen years before war was declared is that for five years of that time our friends opposite were in power. But the suggestion in the motion that an attempt be made to bring about a parity of prices as between what the farmer has to sell and what he has to buy has in fact been consistently put forward ever since this government came into office, and more consistently since war was declared. There is no reason to pass a motion of this kind at this stage.

An hon. MEMBER: Why weren't better results obtained?

Mr. GARDINER: An hon. member asks why we did not get better results. I shall deal with the results in a few moments, but before doing so I should like to point out that this motion is an effort to block still further free discussion of the agricultural problems of Canada. It places every hon. member who sits on this side of the house and in the corner over there in the position of having to decide between voting want of confidence in the government and freely discussing agricultural matters as brought before the house in estimates. Thus there is an obstruction of free discussion of agricultural problems at this time.

If this motion were carried every hon. member of the house knows that as a vote of want of confidence it would require the government of this country to resign, it would require the holding of an election in Canada, it would require the reorganization of the government and the resetting up of policies, not only in connection with agriculture but in connection with every present-day war activity. I venture to say that there is not an hon. member of this house who, knowing that we are facing difficulties which may be increased within the next few weeks, even within the next few days, would wish to call upon the ministry to resign and thus bring about the disorganized condition which a resignation of the government under these circumstances would create.

In other words, the placing of a motion of this kind before the house at the present time makes impossible the free discussion of the problems which confront the agricultural population of Canada. Such a thing is unthinkable. I am prepared to discuss the whole agricultural problem if my hon. friends desire to have it done. It can be done quite simply by having this motion withdrawn and allowing the estimates of the Department of Agriculture to be placed before the house. Then we could discuss consistently and persistently every problem which is confronting the farmers of Canada, and every hon. member would be free to express his opinion, apart altogether from the attitude of this government toward the affairs of Canada and the empire.

I do not intend to place hon. members in a position to be able to say that I introduced into the discussion of a want of confidence motion the new policy of the government in relation to wheat. No doubt that would be the simplest way for me as Minister of Agriculture to have the principles of the policy which has been enunciated by the Minister of Trade and Commerce and by myself as Minister of Agriculture adopted by this house without any opportunity being afforded to hon. members to discuss it freely, without any opportunity being given to anyone to express himself by vote except under the hampering restraint of a want of confidence motion. I am not going to do that, Mr. Speaker. It is not my intention to discuss the wheat policy to-day. I shall choose an occasion when every member of this house will be free to discuss the wheat policy on its merits and not be hampered in any vote he may wish to cast by the fact that he has to vote on a motion of want of confidence in the government of Canada.

But there are a few other matters I should like to discuss, in view of the suggestions that have been made by the mover of the amendment. He stated this afternoon that organized agriculture came to Ottawa to see the Prime Minister and members of the government. Is the hon. member, who has been following agricultural matters in Canada very closely for many years, not aware of the fact that in every single year since the federation of agriculture was set up as the chamber of agriculture, later reorganized as the Canadian Federation of Agriculture, the executive committee of that organization has come to Ottawa immediately after the federation held its annual meeting and passed its resolutions? I repeat, they have called on the government every year since they have been an organization. It is true that this year for the first time they saw the whole cabinet, but it was not the first time they have asked to see the whole cabinet. They have asked to see the whole cabinet every year since they have been organized, and in each of the years since they have been organized some members of the government have met delegates from that organization. On some occasions members of the government were giving attention to other business when the delegation was here and not all the members of the government were able to meet the federation or the Canadian Chamber of Agriculture. But on each occasion since this government was formed I met them as Minister of Agriculture; on most occasions some other members of the government were with me, and we considered the point of view which the organization presented to the government.

I may say to the house, if it will please the leader of the opposition, who suggested the other night that he did not know just why I went to England last fall, that it was the federation of agriculture that first suggested I should go. They passed a resolution to that effect. Not only that, but they came to

Ottawa and presented the resolution. Not only did they suggest that I should go to England but they suggested that the chairman of the bacon board should also go to England. And the hon. member for Haldimand now tells the house that there is not a man on the bacon board who represents the opinion of the farm organizations of Canada. The federation of agriculture itself, at their annual meeting prior to the one just past, suggested that the Minister of Agriculture and the chairman of the bacon board should go to Great Britain and discuss with the British government the possibilities of having Canadian bacon disposed of in the British market. We acted on their suggestion and went to Great Britain and studied this question among many others.

There were other things which the federation suggested on that occasion, many of which have since been brought into effect in Canada. There were other suggestions made which we have not seen fit to bring into effect. For example, the suggestion was made on one occasion that we should have all agriculture in Canada organized under boards and that these boards should have power to legislate and to tax the farmers across Canada. We did not adopt that suggestion but we discussed it with them and gave them our opinion with regard to it. Again when they returned a year ago they suggested the same thing, and my reply to them, which was given to the press at that time, was to this effect, that at least so long as the war lasted any boards that might be contemplated in Canada to handle the marketing or disposal of farm products to the British government would be set up and controlled by the dominion government itself. Why? For the twofold reason that it is a sound principle to establish in any country that there shall be only one kind of authority with power to tax the people, and that that authority shall be a body elected by all the people within a given area. And there is only one authority that should be allowed to legislate in connection with matters having to do with the control of certain industries, and that body again should be the administration set up as a result of the votes either of the whole people or of the people of a province or municipality. For these reasons we said that we would retain this authority within the federal government rather than pass it over to them.

There is another reason. The British government to-day has a food ministry, a food board, a cereals board, boards controlling the shipment of food products to that country. All these matters are under government control. On a number of occasions since the war started it has been suggested to the government of Canada that we should set up a similar authority on this side to deal, in respect to the particular product, with the corresponding British authority on the other side, in order to see to it that our foodstuffs are shipped from this country to Great Britain. That is the policy, Mr. Speaker, which we have been following, and many other proposals which were put up to us by the representatives of agriculture who came to us have been either embodied in legislation or acted upon by this government either before or since the representations were made to us.

This brings me to another remark made by the hon. member for Haldimand. He said that there was no representative of agriculture on the boards set up under the agricultural supplies board. I have here a copy of *Hansard* of May 23, 1940, and at page 169 I find a page and a half of the names of representatives of agriculture from every province who have been placed upon boards or advisory committees, set up after advisement with farm organizations and with the provincial governments, in order to advise the agricultural supplies committee of the Department of Agriculture in matters pertaining to agricultural policy. I shall not take the time to read the names; they will all be found in *Hansard* of last session. The representatives of agriculture there named are still acting on the various boards and carrying on their activities in relation to agricultural problems.

I can quite understand that someone in a particular province might be able to say that he belongs to a farm organization which is not represented on these boards. But when one realizes that there are agricultural organizations from one end of Canada to the other, in connection with every form of live stock undertaking, fruit growing, grain growing, every branch of agriculture; that there are organizations in each of the nine provinces, as well as organizations representing agriculture right across Canada, it will readily be seen how impossible it is to constitute a board in connection with any one branch of agriculture which would have on it a representative of all farm organizations in this dominion. But the men who are on are men who are representative of agriculture, in their capacities as officials of either the dominion Department of Agriculture, the provincial agricultural departments, organizations associated with agriculture, or organizations formed by agriculturists from one end of Canada to the other. As a matter of fact, at each of the different meetings which have been referred to by speakers, I have been confronted with this same question. London was not the only place in Canada where we had a meeting; we had meetings in Saskatoon,

Regina, Calgary, and Montreal. Meetings were also organized or arranged for in the maritime provinces, but it was not possible to hold them because of the fact that the house was called in session when it was. They will, however, still take place. At each meeting I was confronted with the same question and answered it indicating that while some might disagree we believed we had agriculture represented.

When my hon. friend asks me whether we consulted with the farm organizations when we were appointing boards, or when the price of butter was being pegged, or when agreements were made with Great Britain, I answer that he does not know the farm organizations of Canada or he would not ask that question. They do not wait to be consulted, Mr. Speaker; they advise this government and make their views known to us. They are active organizations, on the job. The head of the dairy organization about which the hon. member for Haldimand (Mr. Senn) asked a question comes to Ottawa, not once a year but a number of times every year.

When I look about this chamber I do not know of any group of men in Canada who more completely represent all the agricultural interests of this dominion than do hon. members who represent agricultural constituencies. It is all very well to say that we are going to set up an organization across Canada. I agree with setting up farm organizations. Any hon. member who has the interests of agriculture at heart and who lives in the rural area of his constituency will belong to the farm organizations of that constituency, and I take no exception to that. I believe in the farmers having organizations. In spite of some of the criticisms which are made of agriculture, and statements to the effect that farmers cannot stick together, I believe that there are no organizations in Canada which work more persistently at their jobs and keep closer contact with governments, both dominion and provincial, than do the farm organizations of the dominion. One does not have to invite them to Ottawa, or coax them to come to Ottawa.

As a matter of fact, the hon. member for Qu'Appelle (Mr. Perley) rather chided us over here because of the fact that, at this time, three or four most important farm organizations are represented by delegates now in this city, who have been here discussing questions which, he said, the members of this house had not had an opportunity to discuss, questions which, he said, as did the hon. member for Haldimand, should have been announced to the house. The hon. member for Qu'Appelle referred in this connection to a dispatch reporting the return from Ottawa of J. J. McGurran, secretary-treasurer of the Saskatchewan association of rural municipalities, which association, by the way, represents more farmers than any other organization in that province. The rural municipalities of Saskatchewan cover the entire municipal area; every councillor that is elected is elected by the farmers of his division, and every secretary-treasurer is the hired official of the farmers of a municipality. That organization did have its representatives here discussing the wheat policy with us, as did organizations from Alberta and Manitoba. They have gone home, and after they had gone home they said what they had to say to their people. But I want to tell the hon. member for Qu'Appelle that the only reason he did not hear about it before was, as I mentioned a few moments ago, that we had tried on two or three occasions to get before this house with discussions on agricultural matters, that we had been threatened with this and that and the other delay if we did certain things in relation to the activities of this house, and that is the only circumstance which made it impossible for the matter to be discussed before in this house.

Because of what the hon. member placed on *Hansard*, a reference to my having met the members who are the real representatives of the people of Canada, and for that reason only, I wish to make this statement. I have discussed the wheat policy of this government with Liberal members of the house and with leading men in every one of the other groups in the house. Each of them will agree that I have expressed myself as being willing to meet other members of their group and to discuss with them the policy which the government was placing before the people and the methods under which they desired to have it administered. I had very helpful discussions with each one of the men with whom I raised the question. Their help in this matter has been of assistance; and I am sure that, after we have agreed to agree or disagree on the matter of policy, we shall have the assistance of hon. members in every part of this house in seeing to it that the policy is carried out in the spirit which is indicated by that great American who was with us the other day in the city of Toronto, when he said, before a committee of the house in Washington, "I did all I could to defeat the present President of the United States, but now he is my president." In that same spirit, after hon. members have said all they have to say against the policy of the government, when they have done—if you like—everything they can to defeat it, once we have decided what the policy is to be, we shall have the support of all

hon. members, in view of the conditions prevailing to-day, to have that policy put into operation as effectively as possible, for the time being.

It does not make any difference what branch of agriculture we are dealing with, whether it be wheat, or live stock, or dairy products: no great national long-term policy can be decided upon under conditions such as the world is passing through to-day. The policy which is decided upon must be one which will be put into effect for the season through which we are passing, and probably it will have to be varied even before the season is over to meet situations which develop from the fact that we are at war. I suggest again that when we have discussed the policy on its merits, under conditions enabling hon. members to express themselves freely, we shall have the unanimous support of all parties in this house in trying to do the best we can with whatever policy is evolved.

Another statement which was made was to the effect that there has been no control over farm prices, that we have not attempted to maintain farm prices in Canada which would be of assistance to our farming population. It was said that we should be able to plan for the stabilization of farm prices. All I wish to say with regard to that is to refer again to what I said at the beginning of my address, namely that this government, ever since the war started, and before, has been attempting to stabilize the prices of farm products to a point where farmers can exist under the very difficult conditions which prevail.

I only wish to emphasize what has been said by the two previous speakers when they contend that agriculture is having a very difficult time. I am not going to disagree with that. I do not think that anyone in this house will disagree with it. I think we all admit and admit quite freely that agriculture has been having a very difficult time since this war started and that it was having a very difficult time for ten years before the war started.

Mr. ROWE: It is getting worse.

Mr. GARDINER: Someone says, "getting worse." Probably we should examine into that statement—it would not have been necessary to do so had the suggestion not been made. I have before me the receipts from the sale of farm products from 1926 to 1940 in the different provinces. I am not going to weary the house by reading the table which gives the figures for each province, but I should like to give the returns from agriculture in the gross, in millions of dollars, in each of the years and then let the house judge whether conditions are getting worse or better.

[Mr. Gardiner.]

The year 1926 is the year we are asked to go back to. In that year the returns from agriculture amounted to $952,000,000, in round figures. In the next year they amounted to $929,000,000. The year after that the amount was $1,058,000,000 and the year following that $922,000,000. The house will note that these figures compare very favourably throughout the four years. Then in 1930 conditions throughout the world took a difficult turn, and they did take a difficult turn in Canada. Here are the figures for the years from 1930 on:

Year	Returns from agriculture
1930	$630,000,000
1931	442,000,000
1932	377,000,000
1933	390,000,000
1934	481,000,000
1935	509,000,000
1936	569,000,000
1937	640,000,000
1938	647,000,000
1939	702,000,000
1940	714,000,000

I ask my hon. friends, is it correct to say that conditions are getting worse? They did get worse beginning in 1930 and going to 1933; but from 1933 up to the present, and more particularly during the last four years, they have been getting materially better so far as the returns are concerned. There are other figures here which I shall probably use when dealing with the wheat situation later, but I only want to give these figures to-day in order to indicate that it is not correct to say that conditions have been getting gradually worse. Conditions, so far as the returns are concerned, have been getting a little better from year to year, though not sufficiently better for the farmer to realize that there is any great improvement in his position.

I want to agree again with the two hon. members who spoke previously when they say that conditions in relation to agriculture in Canada at the present time are not good. But this government has not contributed towards making conditions worse from year to year since it came into office. We have contributed towards making them better and better.

Something was said by the hon. member for Haldimand about prices, and it has been repeated from one end of Canada to the other. I corrected it in his hearing in London but perhaps he went home earlier than I thought he did. Nevertheless he repeated it to-day. I had corrected it in each one of the meetings I referred to a few moments ago, and I say to my hon. friend that if he does not know it, if he will come to my office to-morrow morning I will show him correspondence from every section of the dominion where these

meetings were held. I will show him correspondence up to the day the meeting was held and correspondence after the meeting was over, and if he does not agree with me, after he has read the correspondence, that people did change their minds slightly after these meetings, then I will take back what I am going to say to you now, Mr. Speaker.

The statement which the hon. member made and which was corrected was to the effect that there was $2.19 a hundredweight of a difference between the price which was arranged for this year with the British government for hogs and the price which was arranged for last year. He went on to say to-day, as he has repeated time after time, that that difference in the price for bacon was carried right back to the hog itself and that there was a similar reduction in the price of hogs to farmers.

Mr. SENN: I did not say that.

Mr. GARDINER: I have the figures here, and the average price for hogs for 1940, which was the year in which the other agreement was in effect, was $8.57 a hundred—average price at Toronto. Now, what has the average price been per month since this agreement came into effect? The average price in November was $8.31 a hundred; in December, $8.17 a hundred; in January, $8.31 a hundred; in February, $8.45 a hundred. That is just 12 cents a hundred lower for February of this year than the average throughout last year. And then the highest price that the farmers received in any month last year for hogs was received in the month of September. The price was $9.16 a hundred, on an average, throughout September; the price was $8.45 a hundred in February of this year as against $9.00 a hundred in February of last year. In other words, there is only 55 cents as between the price of February last year and the price of February this year, and only 12 cents between the price of February this year and the average price of last year.

That brings me back to what I stated in this house when I returned from Britain. I said that if the packers in Canada did what it was possible for them to do in the interests of agriculture in this country under that agreement the farmer would not be asked to take more than fifty cents a hundred less for his live hogs this year than he took on an average throughout last year. I say that prophecy made at that time has been more than borne out by the prices which farmers have received for hogs up to date. That situation prevailed with regard to hogs. May I say also that this war is no different from other wars in its effects upon farmers. Every war ever fought in any period of history in any place was detrimental to the farming population both in the area in which it was fought and in the area from which their food supplies were to be secured. This war has been no exception to that. And the last war was no exception in the long run. Down to the present time the position of the farmer in relation to prices and other matters as associated with the first few months of this war has been at a level which compares fairly favourably with that of the first eighteen months of the last war. In so far as bacon and hogs are concerned, it is considerably better over the long period, because at the beginning of the last war, if I remember correctly—I am speaking from memory—hogs started at somewhere close to nine cents a pound, went down to close to six cents and then came back to nine cents again in the first fifteen months. But what has happened in this war?

Mr. HARRIS (Danforth): Where did they go from nine cents?

Mr. GARDINER: And I will ask my hon. friend where are they going from nine cents this time. No one can tell. There is only one thing that is going to make them go up, and that is to keep enough of this labour of which the hon. member for Haldimand spoke, in the factories of Canada producing munitions, aeroplanes, machines of war and supplying every man that can be put in the front line with the most efficient equipment that this war demands; that is the only thing that is going to put the price up. So I say that putting men in the factories, even if it does to a certain extent take them away from other industries for the time being, is not going to injure agriculture; it is not going to injure Canada, but is going to be one of the main factors in helping to win this war.

I was pointing out that there is a reason why prices remained at a level. Why have prices been stabilized at from $8.31 to $9.16 a hundredweight in this war? The reason is that immediately this war was declared, we entered into an agreement with the British government. We did not wait until farm organizations compelled us to do it; we did not wait until delegations came to Ottawa; we went immediately to Britain. The Minister of Mines and Resources (Mr. Crerar) was the delegate of this government to the British isles in the first few weeks of the war; and as a result of the mission he carried on then, a certain price arrangement and quantity arrangement was made with the British government. It was that arrangement which held the price of hogs and bacon up throughout that year and stabilized the price.

The hon. member for Haldimand said that last year the farmers did not know what to

do because they did not know what the price was or was going to be. The farmers of Canada knew so well what the government had done that they increased the production of hogs in this country to a point which it had never reached before, and more hogs are coming on the market than ever before. I know that in reply to that he would say, Why did you let it go down twelve cents a hundredweight as against the average of last year, a little less than a dollar a hundredweight or a little less as against the highest price of last year? Why did you let it go down when you were making the second agreement?

There is only one answer I can give to that. The answer is that when we made the first agreement we did not know that Denmark was going to fall, or that Norway or Holland or Belgium or France were going to fall. If we had known, we would not have made an agreement for as high a price as we did for 1940, because we would have known that under the circumstances it would be most difficult for the British government to carry out such an agreement. Britain did not know. Because neither of us knew, one of the best agreements with the best possible price was made. If one questions that, Britain could have bought her pork supplies in the United States all last year on an average of three cents a pound less live weight than she paid for them in Canada. But when Britain had signed on the dotted line, she carried out the agreement. In spite of the fact that we cabled Britain last June, and cabled again in July, offering to send over additional supplies without suggesting an increased price, even suggesting a decreased price, Britain cabled back that she was going right through with the agreement. And she went through.

When we went back after a year, all the facts being taken into consideration, Britain again entered into an agreement with us, not as good as the one before as to price it is true, but an agreement which took a much greater quantity; and if she had not done so, I do not know what the price of hogs would be in Canada at the present time. If we had had an agreement for only 290 million pounds of bacon for Britain this year and Britain had not taken any more than that, we would not be getting five cents a pound for hogs in Canada now, and everyone who knows anything about the hog trade knows it. But because we have an agreement with Britain, because she realizes the condition of our agriculture, realizing at the same time that neither she nor ourselves can do all for agriculture that ought to be done for it, she has done the best she can, and we have accepted it as the best she can do.

[Mr. Gardiner.]

I want to say for the farm population of Canada that, in spite of propaganda put out by some persons who are not farmers and spread across this country, the old gentleman who got up in London, whom the hon. member for Haldimand heard, expressed their viewpoint. I am not going to use his language; probably it would not be parliamentary, but the effect was: "I am going to produce all the hogs I can produce, no matter what the price, so long as Britain needs them". That has been the sentiment of the farmers throughout Canada ever since this war started: "We are going to produce hogs; we are going to make them available". In so far as this government is concerned all one has to do in order to know what our position is in relation to hogs, wheat, munitions of war and everything else needed is to read the statement that the Prime Minister put on *Hansard* yesterday relating to the needs confronting us at the present time in connection with financing this war. Reading that, we shall realize why it is difficult, even for governments, to do the things they wish to do in order to help people over hard places.

I see it is six o'clock and I cannot finish at this time. May I say before moving the adjournment of the debate that I believe, with my friends who have spoken, that farmers are in a difficult position. Prices are not as high as they ought to be in the interests of agriculture. The best the government can do under the circumstances is to look agriculture over from month to month and to search out the branches of agriculture to which the condition I am about to set out relates.

The position taken since the beginning of the war is to the effect that before any branch of agriculture receives assistance because we are at war it must be shown (1) that the market which existed for the product of that branch of agriculture has been seriously curtailed by the war; (2) that those engaged in that branch of the industry cannot readily change to any other without lapse of time and unreasonable expense, and (3) that those engaged in that branch of agriculture cannot maintain themselves in agriculture without government assistance. Whenever any branch of agriculture has been found to fit in with that condition, we have attempted to do something about it.

On a later date I hope to have the opportunity of continuing the debate.

On motion of Mr. Gardiner the debate was adjourned.

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

Thursday, March 27, 1941.

The house met at three o'clock.

DEFENCE OF CANADA REGULATIONS

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Hon. J. E. MICHAUD (Minister of Fisheries) presented the first report of the special committee on the defence of Canada regulations, as follows:

Your committee recommends that an official stenographic report of the proceedings be taken and transcribed from day to day as the committee may decide, for the confidential use of the committee, and that seventeen copies thereof be made.

Mr. MICHAUD moved that the report be concurred in.

Motion agreed to.

RAILWAYS AND SHIPPING

TABLING OF ANNUAL REPORTS—APPOINTMENT OF COMMITTEE ON ACCOUNTS AND ESTIMATES OF GOVERNMENT OWNED TRANSPORTATION LINES

Hon. P. J. A. CARDIN (Minister of Transport): Mr. Speaker, I desire to lay on the table the following annual reports in English and French for the year ended December 31, 1940: The annual report of the Canadian National Railways; the annual report of the Canadian National (West Indies) Steamships Limited; and the annual report to parliament of George A. Touche and Company, auditors, of the accounts of the Canadian National Railway system.

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

That standing order 63 of the House of Commons, relating to the appointment of standing committees of the house, be amended by adding to the standing committees of the house for the present session a standing committee on railways and shipping owned, operated and controlled by the government, to which will be referred accounts and estimates and bills relating thereto of the Canadian National Railways, the Canadian National (West Indies) Steamships, and Trans-Canada Air Lines for the present session, for consideration and report to the house; provided however that nothing in the resolution shall be construed to curtail in any way the full right of discussion in committee of supply; and that the said committee consist of Messrs. Bercovitch, Black (Cumberland), Bradette, Diefenbaker, Donnelly, Dubuc, Emmerson, Ferland, Gray, Hansell, Hanson (Skeena), Harris (Danforth), Howden, Howe, Lockhart, MacInnis, McCulloch, Maybank, Parent, Pouliot, Ross (Middlesex East), Sanderson, Sissons.

Hon. R. B. HANSON (Leader of the Opposition): Is the personnel of this committee the same as last year?

Mr. MACKENZIE KING: I am informed that it is.

Mr. HANSON (York-Sunbury): I have no objection to the passage of this motion, but I should like to observe that we have not been consulted about this. It is a very good rule that has grown up, and I think it ought to be observed.

Mr. HARRIS (Danforth): I should like to see the name of the hon. member for Rosedale (Mr. Jackman), who was on the committee last year, included in its membership again this year.

Mr. MACKENZIE KING: If it is desired by the leader of the opposition to change the personnel, that might be arranged at the convenience of hon. gentlemen opposite.

Motion agreed to.

THE WAR

POSITION IN THE BALKANS—ANNOUNCEMENT OF COUP D'ETAT IN YUGOSLAVIA

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, with respect to the situation in Yugoslavia, the government has received official word that a successful *coup d'état* took place in that country early this morning. While we are at the moment without further official report, the news received from abroad is to the effect that the government which signed the axis agreement at Vienna has been overthrown, the regency dissolved, and a new government formed under the young King, Peter II. The new government is reported to include representatives of all parties in the kingdom, and to have the support of the army.

According to the news reports from overseas, Mr. Churchill stated in London to-day that it is reasonable to expect that the new government will repudiate the pact signed with the axis powers. Mr. Churchill has undertaken, if the pact is repudiated, that Britain will recognize the new government, and if Yugoslavia is attacked, that the British will give all the aid possible.

DEFENCE OF NEWFOUNDLAND

GREAT BRITAIN-UNITED STATES AGREEMENT AND SUPPLEMENTARY CANADIAN PROTOCOL RESPECTING CERTAIN LEASED AREAS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have referred from time to time to the fact that since the outbreak of the war Canada has been contributing to the defence of Newfoundland. This has been done in consultation and cooperation with the United Kingdom and Newfoundland. Its purpose has been that of assistance in the common cause, and our own immediate and direct protection.

The defence of Newfoundland has also been a subject of consideration by the permanent joint board on defence, which has made certain specific recommendations to the governments of Canada and the United States following meetings in which representatives of the government of Newfoundland participated.

It will be recalled that under the terms of the agreement reached between the United Kingdom and the United States, and announced on September 3 last, the United States was given the right to establish defence facilities in Newfoundland.

During recent weeks, representatives of these two governments have been meeting in London for the purpose of preparing a formal agreement setting forth the conditions upon which the United States is to enjoy possession for ninety-nine years of certain leased areas in Newfoundland and in certain British colonial possessions in this hemisphere. Except as they affect the situation in Newfoundland, the Canadian government has not a direct interest in the terms of this agreement. In view, however, of the responsibilities which Canada has accepted in Newfoundland, we have kept closely in touch with the London discussions. At Canada's suggestion the general agreement between the United Kingdom and the United States has been supplemented by a protocol of which Canada is also a signatory, and which clarifies the rather complicated situation in Newfoundland.

The general agreement between the United Kingdom and the United States was made public to-day. In the supplementary protocol to which I have referred the signatories recognize that the defence of Newfoundland is an integral feature of the Canadian scheme of defence, and as such is a matter of special concern to the Canadian government, which has, in fact, already assumed certain responsibilities for such defence.

In view of this fact it has been agreed that in all powers which may be exercised and in such actions as may be taken under the leased bases agreement in respect of Newfoundland, Canadian interests in regard to defence will be fully respected.

The protocol also provides that nothing in the agreement shall affect arrangements relative to the defence of Newfoundland already made by the governments of Canada and the United States in pursuance of recommendations submitted to those governments by the Canada-United States permanent joint board on defence; and that in all consultations concerning Newfoundland arising out of the agreement, the Canadian government as well as the government of Newfoundland will have the right to participate.

At a later stage I shall be in a position to table copies of the agreement and also of the protocol.

INDIAN ACT AMENDMENT

REGULATIONS CONTROLLING THE BUYING OF WILD ANIMALS AND SKINS FROM INDIANS

Hon. T. A. CRERAR (Minister of Mines and Resources) moved for leave to introduce Bill No. 24, to amend the Indian Act

Mr. HANSON (York-Sunbury): Explain.

Mr. CRERAR: The house may be interested to know that probably one-third of the Indians at present in Canada live in the northern parts of the various provinces and in the northwest territories. They live mainly by the chase. This bill is to enable the Indian administration to give them further protection in the sale of their fur catch. It has become the practice—indeed it might almost be described as an evil—of irresponsible traders to go back into the more remote regions, by aeroplane or by other means of transport, and offer absurdly low prices to the Indians for their furs, thus reaping from the transaction a very large profit for themselves. As the Indians are thereby deprived of the full revenue which they should receive, they tend to become more and more a charge upon public funds. The purpose of the bill is to authorize the Indian administration to require, where necessary, permits or licences

on the part of traders so that their responsibility may be fixed and their operations kept under control.

Mr. NEILL: Might I ask the minister if it is his intention to open up a general revision of the act?

Mr. CRERAR: That is not the intention at the present time. Considerable work has been done on a general revision of the act, but it is not intended to introduce that revision at this session.

Mr. NEILL: I think the minister will recognize that that revision is badly needed.

Mr. CRERAR: I agree with my hon. friend that probably there are some places where the act could be strengthened.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EXPROPRIATION OF ST. PAUL L'ERMITE, QUE. LANDS FOR WAR INDUSTRIES

Mr. FERLAND:

1. How many farmers of St. Paul l'Ermite, Quebec, had their lands expropriated by the government in 1940 for war industrial purposes?

2. Upon what date were these farmers dispossessed of their lands?

3. How many of them have still to be paid by the government for the lands so expropriated?

Mr. HOWE:

1. The number of proprietors whose lands have been expropriated for this project is 23.

2. The date of the expropriation of the main plant site was June 10, 1940. A small lot was subsequently expropriated on November 2, 1940, for a pump house.

3. 19.

OIL CONTROL—CLARKSON, ONT., REFINERY

Mr. HOBLITZELL:

Has the oil controller given permission for the erection of a refinery at Clarkson, Ontario? If so, why has such permission been given?

Mr. HOWE: The oil controller approved the British American Oil Company Limited building a lubricating refinery. No mention was made as to location. The location of the refinery is a matter for municipal authorities who may grant or refuse a building permit and whose duty it is to protect any rights or interests which may be prejudicially affected.

*SOLDIERS HITCH-HIKING ON HIGHWAYS

Mr. CHURCH:

1. How many soldiers were arrested at Camp Borden, and tried on the 21st instant at Barrie police court, by Magistrate Jeffs, for using forged railway tickets while on furlough from camp?

2. (a) Who laid the complaints; (b) what was the sentence; (c) how many witnesses were called?

3. Were the soldiers charged represented by counsel? If so, by whom?

4. (a) Did the attorney general's department of Ontario or (b) the Department of National Defence or camp authorities refuse to provide counsel for these men?

5. Who authorized an edict on hitch-hiking at Camp Borden?

6. What right or authority have the authorities at Camp Borden to declare this a military offence?

7. Did the Minister of Highways for Ontario announce that on no occasion before this trial had they prohibited hitch-hiking by soldiers?

8. Will executive clemency be immediately considered in these and other cases?

9. Was the order from the government to stop hitch-hiking issued after a request by the Canadian Passenger Association or the two railways?

Mr. RALSTON: Mr. Speaker, I will make a verbal answer to these questions, or some of them.

1. Three.

2. (a) C.P.R. police; (b) Three months determinate and three indeterminate; (c) One.

3. No. Their company commander attended and gave evidence as to character.

4. (a) No information; (b) No request was made to Department of National Defence or camp authorities to provide counsel. It is not the practice for counsel to be provided at public expense in such cases.

5. Camp orders, Borden, issued by Brigadier-General McCuaig, which recited sub-section (2) of section 44 of the Highway Traffic Act as it appeared in chapter 288, Revised Statutes of Ontario, 1937, reading as follows:—

> "No person shall, while on the travelled portion of a highway, solicit a ride from the driver or operator of a motor vehicle other than a public vehicle."

The order then proceeded to state as follows:—

> "In accordance with the above, the practice of personnel of Camp Borden soliciting rides will cease immediately."

6. This is a question of law, on which it is not the practice to express opinions in answer to questions.

7. I know of no such announcement. The hon. member sent me a copy of a letter which he personally had received from the minister of highways which was generally to this effect, but I did not feel that that letter had taken full account of the provisions of the Ontario statute to which I have referred. I wrote the minister of highways, and have as yet received no reply.

8. This is a matter for the appropriate authorities.

9. The order referred to is presumably the one mentioned in answer to question No. 5. No request therefor was made to the Department of National Defence by the Canadian Passenger Association or the railways.

Mr. CHURCH: Would the minister please look at paragraph 8 of my question, and would he be willing to aid executive clemency to these three men, since all of them are first offenders? The whole of the tickets were not worth more than $20. Their commanding officer said at their trial that they were good men and that he wanted them back. Why not let them out?

Mr. RALSTON: I have replied to that in answer to No. 8.

Mr. CHURCH: Thank you.

TRADE COMMISSIONERS IN EIRE

Mr. CHURCH:

What trade commissioners or other Canadian officials are in Eire, where are they located, at what cost, and is there duplication of services?

Mr. MacKINNON (Edmonton West): James Cormack, 66 Upper O'Connell Street, Dublin, is the trade commissioner. The cost of the office during the eleven months ending February 28, was $9,808.60. There is no duplication of services.

AMOUNT OF BRITISH AND CANADIAN ADVANCES ALLOCATED TO FRENCH-CANADIAN INDUSTRIES

Mr. LaCROIX (Quebec-Montmorency):

Of the amount totalling $268,499,894, advanced for industrial purposes by the Canadian and British governments, why was only $15,337,520, equivalent to 5·7 per cent, allocated to French Canadian industries?

Mr. HOWE: Mr. Speaker, this question refers to "French-Canadian industries". It first makes a statement which I believe is incorrect, but I may say that I do not know which industries are French-Canadian and which are Canadian. I am afraid that the question cannot be answered.

[Mr. Ralston.]

UNEMPLOYMENT INSURANCE COMMISSION—FRENCH-CANADIAN REPRESENTATION

Mr. LaCROIX (Quebec-Montmorency):

1. Is the unemployment insurance commission actually engaged in appointing its staff and completing its organization?

2. If so, has a representative French-Canadian been appointed a member of the commission?

Mr. McLARTY:

1. Organization work is being carried on by the unemployment insurance commission, and appointments to the staff are being made by the civil service commission.

2. Dr. Joseph Sirois was appointed chief commissioner in October, 1940, and, due to illness, was unable to carry on the organization work; accordingly, Mr. Arthur MacNamara, associate deputy minister of labour, was appointed acting chief commissioner. Regretfully Dr. Joseph Sirois died on January 17, 1941. The orderly continuation of the organization work can best be carried on by continuing existing arrangement for the present.

H. W. NICOLL

Mr. HOMUTH:

1. Is H. W. Nicoll employed by any department of the government?

2. If so, in what capacity, and what salary does he receive?

Mr. HOWE:

1. Mr. Hermes William Nicoll was appointed to the Department of Munitions and Supply on the 13th of February, 1941.

2. Resident technical officer for munitions division of Department of Munitions and Supply at plant of Electric Steels Limited, Cap de la Madeleine, P.Q. Salary, $3,600 per annum.

*EDMUNDSTON, N.B., AIRPORT

Mr. HATFIELD:

1. Has an appropriation been made to build an airport at or near Edmundston, New Brunswick?

2. If so, what site or sites have been or are being considered?

3. Who was or is the owner of the land?

4. When will the project get under way?

5. What is the acreage?

Mr. POWER: I will answer this verbally. The answer to No. 1 is, no. The other questions are therefore not applicable.

ST. LAWRENCE WATERWAY—QUEBEC PROVINCE TRADE AND INDUSTRY

Mr. LACOMBE:

1. Why does the St. Lawrence waterways agreement make no provision for a reduction in the rates for electric current sold to the private consumer and to Quebec industries?

2. Why does this agreement make no provision for the protection of the maritime trade which the port of Montreal enjoys, and also for the protection of existing industries?

Mr. MACKENZIE KING: As regards the first part of the question, I am afraid that if I were to attempt to answer it, my hon. friend might be the first to say that I was invading provincial rights. Certainly the matter is not one which comes within the purview of this parliament.

As regards the latter part of the question, I am not aware that there is anything in the agreement which interferes in any way with the maritime trade of the port of Montreal, or with existing industries.

QUESTION PASSED AS ORDER FOR RETURN

CIVIL PROTECTION COMMITTEES

Mr. COLDWELL:

1. Under whose authority are civil protection committees established?

2. Under whose authority did the Verdun civil protection committee, on Saturday afternoon, March 1, 1941, stop cars and demand registration certificates or licences?

3. Is it the policy of the department to allow local organizations to arrange check-ups of this nature?

Mr. CASGRAIN: Return tabled.

ST. LAWRENCE WATERWAY

QUESTION AS TO AGREEMENT FOR EXPORT OF POWER TO BE DEVELOPED

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): May I direct a question to the Prime Minister (Mr. Mackenzie King) with respect to the St. Lawrence waterway project, and specifically on the subject of the export of power to the United States?

It will be recalled that the Canadian national advisory committee reported on January 11th, 1928: "that we are in complete accord with the feeling throughout Canada that export of power should not be permitted."

In neither the Canada-United States agreement entered into on the 19th of March, 1941, nor in the Dominion-Ontario agreement of the same date—both tabled on the 21st instant—is there any reference to this vital question of the export of power. I do not think anyone expected that there would be any specific clause covering this important phase. But the question is of such paramount importance that I am impelled to ask the Prime Minister if there is any agreement, undertaking, or understanding, express or implied, that the province of Ontario or the Hydro-Electric Power Commission of Ontario, or any other governing body, shall have any right, licence or authority to export to the United States any portion of the power to be generated at the Canadian power development, and if so, how much, and for what period. Generally, I would ask what the whole position is with respect to the export of power to be developed from this project.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The agreements as tabled cover everything in the nature of undertakings given by the government. I cannot say what requests may be made of the government under the general laws of the country, but if any such requests are made they will be considered in the light of the remarks which I made to this house in speaking on the waterways question on a previous occasion.

USE OF IRISH PORTS AND BASES

REQUEST FOR TABLING OF CORRESPONDENCE WITH EIRE OR BRITAIN

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I would like to ask the Prime Minister (Mr. Mackenzie King) a question, of which I have given him a copy. Would he care to clarify further to-day his answer to the question which I asked yesterday? I do not want him to utter one word which would injure the cause of the empire, but I believe that I represent a large body of public opinion which is alarmed, and I am merely seeking information.

I gladly gave up the other night my right to speak on the third reading of the war appropriation bill so as not to delay it one minute further, and let it pass on Tuesday night; and I desire now to ask the Prime Minister if he will kindly table all correspondence, so far as may be possible, with the government of southern Ireland or of Britain, with regard to the use of these ports. The country has a right to this information, which has already been given in the British House of Commons by Mr. Churchill in reply to a similar question asked by Sir William Davison, a prominent supporter of the government.

As I said a year ago, these ports belong to the empire, and Canada should take a stand on the matter before it is too late to protect our trade and commerce, our shipping and food and aid to Britain of all kinds.

The only reason I am asking is that I believe the fate of the battle of Britain, and of freedom and civilization, depends on the free use of these inlets, ports and bays, as

in the last war; and I do not want to see Canada or its government wrongly charged—as she is by some—with being a party to seeing Britain's hands being tied behind her back by failure to give the empire proper shipping protection.

Some hon. MEMBERS: Order.

Mr. CHURCH: The list of tonnage sunk, as already announced by the admiralty, is appalling, and in my opinion calls for some further announcement by the government by way of clarification.

Some hon. MEMBERS: Order.

Mr. CHURCH: I believe I am quite in order, Mr. Speaker.

Mr. SPEAKER: As I understand it, the hon. gentleman is asking a question which he is entitled to ask. On account of the noise in the house I cannot hear clearly.

Right Hon. W. L. MACKENZIE KING (Prime Minister): As I understood my hon. friend's question—he was good enough to give me a copy of it in advance—it is more than a question; it is considerable of a speech as well.

The hon. member says that the country has a right to certain information which has already been given in the British House of Commons by Mr. Churchill, in answer to Sir William Davison, a prominent government member there. I have not the information which Mr. Churchill gave to Sir William Davison in the British house but I shall be glad to have it looked up and, if possible, given to my hon. friend. What he asks for is information which has already been given elsewhere. He goes a step further, however, and asks whether I would table any of the correspondence that might relate to the subject matter of his question. Such correspondence as there has been is wholly confidential and could not be given without the agreement of the governments concerned, and I am therefore afraid I cannot table any correspondence in the matter.

Mr. CHURCH: May I take it from the Prime Minister's statement that he assures the house that he has taken all adequate steps with the other two governments to look after our interests?

Mr. MACKENZIE KING: I can say quite positively to the house that in this matter, which the hon. member recognizes is a very delicate and difficult one, the government has taken the action which it believes to have been the most prudent to take in all the circumstances.

[Mr. Church.]

WAR CHARITIES

RELATIONSHIP OF RED CROSS TO CURRENT UNITED APPEAL FOR AUXILIARY SERVICES

On the orders of the day:

Hon. J. G. GARDINER (Minister of National War Services): In view of the fact that an answer which I gave to a question asked by the leader of the opposition (Mr. Hanson) a few days ago has raised some discussion, I wish to make a further comment upon that answer.

When I was dealing with the estimates of the war services department in the house on March 7 last, as recorded at page 1331 of *Hansard,* the leader of the opposition questioned me regarding the relationship of the Red Cross to the united drive put on for funds for auxiliary services on March 24.

The hon. member asked:

Has it been found that the Red Cross object to this collective drive? There was a good deal of discussion in the press about this at the time it was started. I understand that some officials of the Red Cross have taken the view that they cannot be bound within the limitations or circumscription of one drive because of the peculiar necessities that may arise in connection with their work. Are they in agreement with the principle or are they standing out? I think in justice to them that ought to be made clear.

I replied as follows:

Three or four conferences were held and the discussions that took place were similar to those that take place at any conference of the kind. In the earlier stages you will find some persons putting forth certain arguments and taking a certain position very strongly, and you will find these same persons later on, in a subsequent conference, turning around and taking a position which perhaps those opposed to them at the earlier stage had adopted. It is true that certain arguments were advanced to the effect stated, but I may say that as a result of the conferences held all of the organizations that are going into the drive on March 24 are going in under an agreement finally reached among themselves, and in entering into that agreement they have one hundred per cent support and cooperation of the Red Cross. As the house knows, the Red Cross is an organization that has been built up right across Canada, having a very good reputation and a long period of service, and it is thought wise to allow that organization at least to consider the matter in their own national meetings before making any announcement as to what they think, or anyone else thinks, with respect to what they ought to do. It is considered better to leave it that way. There has been the greatest degree of cooperation among these people in meeting from time to time and discussing one another's problems and trying to come to a common conclusion.

Mr. Hanson (York-Sunbury): Will this drive on March 24 cover a definite period of time?

Mr. Gardiner: It is the only drive to be made in 1941.

Mr. Hanson (York-Sunbury): That answers the question.

Mr. Gardiner: The Red Cross have agreed that they will not put on another drive in 1941, so that there will be no further drive by that society or any one of the other organizations during the year 1941. The question what is to happen in 1942 will be finally settled among them before the end of the year.

The statement I wish to make with regard to that answer is this.

Some controversy has arisen as to whether this was a correct statement of the facts. I had reason to believe it was a correct statement at the time it was made but it has been brought to my attention that the Red Cross when they held their executive meeting did not agree that another appeal would not be necessary in 1941 but were referring the matter to the annual meeting of the central council.

The government however has thought it wise to arrange that national drives for auxiliary war services be put on in the spring of the year and that any drive put on in the fall months be for home services and that the remainder of the year be reserved for governmental financial appeals for funds necessary to the direct prosecution of the war.

We are sorry that Mr. W. M. Marshall, Saskatchewan provincial commissioner of the Canadian Red Cross, according to a Canadian press report dated Winnipeg, March 26, 1941, has stated that notification had been sent 900 local secretaries in Saskatchewan that although no date is set it is expected that the 1941 Red Cross campaign will be held in the fall. The decision of the government that no permit for a further national drive for auxiliary services would be issued during 1941 outside of the present drive was conveyed to the central executive of the Red Cross with the suggestion that if they required more funds they should join in the drive now under way and ask the public for the amount which they required.

If there is a shortage of funds to do necessary work of the Red Cross it will require to be raised in some way other than in a national appeal to the people. The only national appeal for which a permit will be issued in 1941 is now under way.

I am sorry if I was mistaken in saying that the Red Cross had agreed.

Hon. R. B. HANSON (Leader of the Opposition): The statement which the Minister of National War Services has just made, and the reason therefor, have caused me some perturbation. I have always had a high opinion of the Red Cross society and have at intervals contributed of my substance to its support.

When I first heard of the united drive it was a matter of regret to me that the officials of the Red Cross could not see their way clear to go into the combined appeal, but I quite understood the reasons for it.

As the minister has correctly stated, I did interrogate him with regard to this matter earlier this month, and I concluded that he had made a correct statement of the position, namely, that the Red Cross had agreed that they would not put on another drive in 1941. It was therefore a matter of considerable surprise to me when I heard it announced in the Canadian press from Winnipeg that notification had been sent to the Red Cross organizations in Saskatchewan that a 1941 Red Cross campaign would be held in the fall.

In view of what is taking place this week, the efforts that are being made in the united drive, I suggest that this announcement was entirely out of place at the moment, especially when so many of our best citizens are contributing of their time and substance to the present drive.

I agree that the position that has arisen is unfortunate. If the Red Cross requires funds, it should be done in some other way than by a national appeal to the people. The government, if necessary, must supply such additional funds as may be required.

Mr. KARL K. HOMUTH (Waterloo South): In this connection, I also had spoken to the Minister of National War Services, and I trust the house will bear with me for a moment, though I may be out of order in discussing the matter. In our district, in the town of Preston and in the city of Galt, we put on united drives. Perhaps we were the first town to put on a drive for all the services, and out of the funds raised we paid our contributions that were allotted to the various organizations—the Red Cross and so on. The present drive is on and we are not putting on a drive in my riding because all our municipalities have already put on their drive and made their contribution. We put on one drive a year, which is made in the fall, and our employees and others who contribute pay so much per month over the year.

The minister has stated that the drive should be put on in the spring. It will cause considerable trouble if there is a drive in the spring, when certain municipalities put it on in the fall. We should be very careful; people are willing to contribute, but if we have two or three drives there will be difficulty in raising funds. When another drive is put on it should be done in such a national way that there will be only one appeal for all the purposes for which funds are required.

ROYAL CANADIAN NAVY

STATEMENT CONCERNING LOSS OF H.M.C.S. *Otter* WHILE ON PATROL

On the orders of the day:

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Hon. members may expect from me some statement as to the loss of one of the ships of the Canadian naval force yesterday with the loss of some nineteen men serving on board that ship.

The ship, as hon. members know from the newspapers, is the *Otter*. His Majesty's Canadian Ship *Otter*, was one of fourteen yachts purchased from private owners for conversion into anti-submarine patrol vessels. The conversion of these vessels was an emergency policy designed to provide some measure of protection against submarine raids on the Canadian coast, and to serve as a substitute while Canadian-built corvettes were being completed.

The *Otter* was built in 1921 as a twin-screw diesel steel yacht. She was 160 feet long, 25 feet beam, with a draft of ten feet. She was built in the United States. Subsequently she was acquired by Mr. P. S. Ross, a Canadian citizen. In June 1940 she was requisitioned by the Royal Canadian Navy. She was converted into a patrol vessel in a Canadian shipyard. The work of conversion included alteration to her accommodation, general overhaul of engines, and installation of armament.

Since October 10, 1940, she has been in service as a patrol vessel on the eastern Canadian coast. In this function she has given entire satisfaction. She has from time to time developed minor defects, as any ship is apt to do, but these have been dealt with as they occurred, and there has never been any suggestion at any time that there were any serious defects in the vessel or in her machinery.

Her complement was 4 officers and 37 ratings. Her commanding officer was Lieutenant Denis A. Mossman, R.C.N.R., a native of Lunenburg, Nova Scotia. Lieutenant Mossman is forty-three years of age, and his experience at sea has been extensive. He holds a master's foreign-going certificate of competency. He was employed by the Canadian National Steamships prior to the war and served in their passenger and cargo steamers in various capacities, from third officer to first officer. His service in the Royal Canadian Navy since entry on January 19, 1940, includes time spent at the Royal Canadian naval barracks in training, and time spent on the Canadina ships *Venosta* and *Arleux* (mine-sweepers). He was appointed to H.M.C.S. *Otter* in June, 1940, and given command of that ship, standing by the ship during her conversion and from the date of her commissioning in the service.

Coming to the tragedy itself, the ship left Halifax on March 21 on patrol work. There was no indication of any defect in the ship or her machinery at that time. At eight o'clock on March 26 when off Sambro near the mouth of Halifax harbour the ship caught fire. Apparently this fire started in the engine room, and spread so rapidly that there never was at any time a chance of effectively fighting it. The ship had to be abandoned, and this was successfully carried out into boats and rafts. The casualties, nineteen in number, are understood to have been chiefly caused by exposure and also by the capsizing of one of the boats alongside one of the rescue vessels. The weather at the time was very rough and cold.

A full inquiry into the causes of this accident would have been undertaken to-day except for the fact that some of the survivors are not yet sufficiently recovered to give evidence. None of the survivors it is hoped will suffer any permanent ill effects from their experience. It is hoped that the inquiry will get under way to-morrow, certainly it will be undertaken at the earliest possible day. Until the report of the board of inquiry is in hand it will not be possible for me to make a more explicit statement than this regarding the cause of the fire and the subsequent loss of life.

There remains for me, Mr. Speaker, the melancholy duty of expressing to the relatives of the deceased officers and men the heartfelt sympathy of the Prime Minister, my colleagues in the government, and myself and, I am sure, as well the very deep and real regret of every hon. member of this house.

DECENNIAL CENSUS

INQUIRY AS TO APPOINTMENT OF COMMISSIONER FOR PARKDALE

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): In view of the statement of the Minister of Trade and Commerce yesterday that the census would be conducted on a non-partisan basis, will the minister tell the house who is the commissioner for Parkdale; is he the defeated candidate; if not, was the commissioner appointed on the recommendation of the defeated candidate?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): The hon. member sent over to me since I came to the chamber a copy of this question. Ordinarily I would have no idea who the census commissioner is for

any constituency in Canada outside of my own constituency of Edmonton West. It so happens however, that I have some information which I can give to the hon. member; it comes from a letter received from the hon. member himself, in which he asked me that the president of the Conservative association of his own riding be appointed as assistant census commissioner. In that letter the hon. member stated that the man named as census commissioner was a Mr. Travers. Whether he was the Liberal candidate in that constituency or not I do not know.

Mr. BRUCE: Would the minister read my letter?

Mr. MacKINNON (Edmonton West): I haven't it here, but I shall be glad to bring it into the house.

Mr. BRUCE: Will the minister then table it?

Mr. MacKINNON (Edmonton West): Yes. The hon. member asks whether the commissioner was appointed on the recommendation of the defeated candidate. As I said yesterday, the commissioner has been appointed in exactly the same way as have the commissioners at the taking of every census since 1871. I believe that in all the years since 1871 only once at the time of the decennial census has a Liberal government been in office, and that on every other occasion all appointments in connection with the census have been on a strictly partisan basis.

Mr. HOMUTH: And what did the Liberals say about it?

Mr. MacKINNON (Edmonton West): In this war year the government intends to see that partisanship is not indulged in in the appointment of the enumerators taking the census.

Mr. BRUCE: Does the minister not recollect that in my letter I asked if this census could not be conducted on the same basis as the national registration was conducted?

Mr. MacKINNON (Edmonton West): My recollection is that it was on that point that the hon. member asked for the appointment of the president of the association.

Mr. BRUCE: Yes.

Mr. HOMUTH: That is different.

Mr. BRADETTE: Little shadows of 1931.

Mr. GRAYDON: Yes, but there is a war on.

RADIO BROADCASTING

REGULATIONS WITH RESPECT TO USE OF PUBLIC OR PRIVATE FACILITIES FOR POLITICAL BROADCASTS

On the orders of the day:

Mr. M. J. EDWARDS (Calgary West): Mr. Speaker, I should like to ask the Minister of Munitions and Supply what regulations or restrictions, if any, are in effect with respect to the use of national, provincial or private radio stations for political broadcasting purposes at the present time. Are there any regulations or restrictions?

Mr. HOMUTH: Just restrictions.

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, this question has come to me without notice. I do not like to quote regulations from memory; but I shall be glad to obtain the information. Of course any regulations in existence are made by the governors of the Canadian Broadcasting Corporation. I shall be glad to get the information and answer the hon. member to-morrow.

Hon. R. B. HANSON (Leader of the Opposition): This is an important matter, and I think we might take two or three minutes to discuss it. Would the minister be good enough to state when he will bring these regulations down, and will the government facilitate an opportunity for discussion? The present position is wholly unsatisfactory. It is to us, and I am quite sure it would be to hon. members opposite.

Mr. HOWE: In turning over the responsibility for broadcasting to the Canadian Broadcasting Corporation the government divested itself of any authority to interfere in the matter of regulations for broadcasting. I see no purpose therefore in debating here what is being done by the broadcasting corporation.

Mr. GRAYDON: Is it—

Mr. SPEAKER: May I point out that these questions, in the form in which they are being asked, are most provocative. They raise discussions, whereas they might well be put on the order paper. I suggest that hon. members look into that rule of procedure.

Mr. HOMUTH: The answers are just as provocative.

Mr. GORDON GRAYDON (Peel): May I suggest, along the lines suggested by your honour that—

Some hon. MEMBERS: Order.

Mr. GRAYDON: I am only bringing this to the attention of the minister. There is a question standing on the order paper in my name with reference to this very matter. I believe if the minister would answer that question he would clear up the whole matter.

PRECIOUS METALS MARKING ACT

AMENDMENTS WITH RESPECT TO GOLD WATCHES AND SPECTACLE AND EYEGLASS FRAMES

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved the second reading of Bill No. 12, to amend the Precious Metals Marking Act.

Hon. R. B. HANSON (Leader of the Opposition): This is a somewhat technical bill; in fact the Precious Metals Marking Act is a technical act from first to last. I do not recall any explanation having been made heretofore by the minister. We ought to have something beyond the explanatory note on the page opposite 1 of the bill. In particular we should know the reason for introducing the bill. Who has asked for it, and what would be the effect of this legislation? If the minister gave the house that information on first reading, I could not have been present, because I did not hear it.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, in presenting the bill I explained that it contained some technical amendments to the act, and that they had been suggested for the protection of the consuming public. I believe it is safe to say that generally speaking the buying public knows less about articles over which the Precious Metals Marking Act has jurisdiction than it does about anything else purchased. Hence there is necessity for protection and guidance. These amendments offer that protection.

The first amendment affects bracelet watch cases, and only to the extent that the necessity for soldering a sheet of gold on the inside of the back of a gold-filled bracelet watch case is removed. I do not think there is any necessity of going further into that amendment.

The second amendment deals with the establishment of a new standard for gold-filled eyeglass wares, and protection for the public as to the quality of the content of the article.

Mr. HANSON (York-Sunbury): Is it only in respect to gold-filled articles?

Mr. MacKINNON (Edmonton West): Yes, gold-filled articles.

Mr. HANSON (York-Sunbury): Probably we should discuss the bill in committee.

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

On section 1—Watches.

[Mr. Graydon.]

Mr. HANSON (York-Sunbury): Specifically, what is the extension in the provisions of the act over the present section 7 (a)?

Mr. MacKINNON (Edmonton West): The present subsection lays down some specifications as to thickness and quality of gold, also the manner of application of this gold in a gold-filled watch case. I believe the explanation given on this page is quite complete. In the proposed amendment these remain the same, and are not disturbed, except that it is not necessary to solder a sheet of gold on the inside of the back of a gold-filled bracelet watch case. In this style of case the movement fits in the back of the case and the inside of the back is not seen nor is it subject to any wear.

This amendment also provides that if "gold filled" or "G.F." is stamped on the outer surface of that part of a bracelet watch case that is of that quality, then "base metal" shall be applied to that part of this case that is not gold-filled quality.

Mr. DOUGLAS (Weyburn): The explanatory notes explain the object of the amendments. What is the purpose? Are they for the purpose of protecting the public?

Mr. MacKINNON (Edmonton West): Yes, the amendments are wholly for the purpose of protecting the buying public. I believe they have been brought to our attention by the Canadian Jewellers' association, an association with a membership of approximately one thousand jewellers across Canada. Eighty-two per cent of the wholesalers and manufacturers in Canada are members of the association.

Mr. DOUGLAS (Weyburn): And they approve these changes?

Mr. MacKINNON (Edmonton West): Yes, these are their suggestions.

Mr. STIRLING: Do these provisions apply only to goods of Canadian manufacture?

Mr. MacKINNON (Edmonton West): My understanding is that they apply to all articles offered for sale in Canada.

Mr. STIRLING: So that there must be some jurisdiction of the department over imports.

Mr. MacKINNON (Edmonton West): The department would do that through its inspection staff.

Mr. STIRLING: At the border?

Mr. MacKINNON (Edmonton West): No, where the merchandise is offered for sale.

Mr. HANSON (York-Sunbury): Do the provisions of section 7(a) apply to imported watches as well as to watches of Canadian manufacture?

Mr. MacKINNON (Edmonton West): Yes.

Mr. STIRLING: Where is the supervision undertaken? Is it done when the goods are displayed in retail stores, at the wholesalers or at the importers?

Mr. MacKINNON (Edmonton West): In connection with imported goods it is done at the customs, at the port of entry.

Mr. STIRLING: Does that mean that the customs officer must be an expert in connection with these things?

Mr. MacKINNON (Edmonton West): The department has inspectors at the larger ports of entry and instructions are given to the customs officials.

Mr. STIRLING: They are not admitted until they have the acquiescence of the minister's department?

Mr. MacKINNON (Edmonton West): That is correct.

Mr. HANSON (York-Sunbury): The customs supervise the importations for the department?

Mr. MacKINNON (Edmonton West): Yes, with the assistance of our inspectors. It is our responsibility.

Section agreed to.

On section 2—Gold-filled articles other than watch cases.

Mr. HANSON (York-Sunbury): This is an extension, is it not, of the principle that applies now to spectacles or eyeglasses manufactured in or imported into Canada. Does this apply to anything else but eyeglasses?

Mr. MacKINNON (Edmonton West): I am informed that this applies only to spectacles and eyeglasses.

Mr. HANSON (York-Sunbury): Then the marginal note would seem to be misleading. It refers to "gold filled articles other than watch cases," but this is confined to spectacles and eyeglasses.

Mr. MacKINNON (Edmonton West): Yes.

Mr. HANSON (York-Sunbury): If the principle is good why should it not be extended to other gold-filled articles?

Mr. MacKINNON (Edmonton West): That protection is given by another section, 6 (*a*).

Section agreed to.

Bill reported.

SUPPLY

The house in committee of supply, Mr. Sanderson in the chair.

DEPARTMENT OF AGRICULTURE

422. Special. To provide for payments on reductions in wheat acreages, under conditions prescribed by the governor in council, for administration expenses in connection therewith, and for temporary appointments that may be required notwithstanding anything contained in the Civil Service Act, $35,000,000.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Chairman, when this item was brought before the committee some days ago a question was raised as to why it should be brought down in this form, rather than by means of a bill. I think at this time the committee will expect me to state the reason for adopting the method we have in introducing this matter to the house.

I think it will be admitted by members of the committee that the details of this vote set out in general terms what would be required to be placed in any bill that might be introduced for a similar purpose. Legislation in the form of a bill could contain only general sections providing, first, for acreage payments on the reduced wheat acreage; second, for the power to pass regulations by order in council to regulate the expenditure of the moneys, and, third, for the employment of those necessary to administer the plan.

Mr. HANSON (York-Sunbury): Does the minister suggest that that is as far as the legislation could go?

Mr. GARDINER: That is about as far as legislation providing for similar things in the past has gone. Legislation in relation to matters of this kind in the past has been very similar. But that is not the reason I want to give to the committee for maintaining this principle in connection with the bringing down of this particular vote. Two objections of considerable strength might be advanced to the procedure being followed, and there are also objections which might be raised to the bringing down of legislation.

One of the objections is the time element. It is now thirteen days since the policy for which this vote is to provide the money was first announced to the house. It is regrettable that we were required to discuss other matters, probably of more importance, during the intervening time, but the fact remains that thirteen days have gone by. Those thirteen days were most important in relation to the question which has to be discussed, in that crops must be sown within the next two months.

Seeding would be well under way before we could have passed the necessary legislation and the regulations to be based thereon.

In the second place, legislation would have a tendency to perpetuate what is only intended to be a temporary expedient. It has never been contended by the government that the proposals making necessary the expenditure of this amount of money represent a permanent policy. It has never been suggested by those who advocate dealing with the matter as we are that what is necessary is something in the nature of a permanent policy. While it might be possible to stipulate a time limit in any legislation that might be brought down, it would be difficult to estimate how long the legislation would be required. Even with a time limit, the legislation itself would give a greater degree of permanency to the policy than an item in the estimates, with a further vote a year hence if it should be proposed to take the same action again.

The main reasons for proceeding as we are can be stated as follows:

Immediately the funds are voted and the method of administration explained to and accepted by the house, we can proceed to set up the administrative organization which will be necessary to putting the proposal into effect. This is essential to getting the proposal before the farmers in time to permit of their planning their summer's work.

Immediately this vote is passed it will be accompanied by the usual bill accompanying votes which are put through by way of estimates, and later it will be submitted to the senate and be passed and made effective. In addition to that, the regulations to be made under the vote can be drafted by the government.

I noted that the hon. member for Qu'Appelle yesterday suggested that before anything was done in connection with this matter it should first be considered by a special committee of the house. It is not impossible, if the house desires that that should be done, that the regulations, which after all embody the greater part, practically all of what will be done, could be dealt with by a committee. But whether dealt with by a committee or as proposed in this vote, the greater part of the procedure that is to be followed will in any case be set out in the regulations, and the regulations could be fully discussed either in the manner proposed or in committee of the whole house. A discussion of the regulations themselves in a committee would ensure the widest possible dissemination of the information which the farmers desire to have at this time when they are preparing for seeding operations. But I suggest that because of time limitations, and the fact that this is not a permanent policy but only a temporary measure to see us through this present year in view of the difficulties confronting us, we should proceed in the manner in which we are now proceeding, and just as soon as possible we should make known to the public just what the regulations are, and then have the administration set up for the purpose of putting them into effect.

Mr. PERLEY: It has been announced that Mr. J. J. McGurran has already set up the machinery. Will he not know what the regulations are likely to be? What is he doing in that regard?

Mr. GARDINER: I was just proceeding to give the committee that very information. I believe that before assenting to this procedure the house will desire to know the form of administration we intend to establish.

It is our intention to set up a central office at Regina which will take charge of the administration both of prairie farm assistance and wheat acreage reduction activities. It is our intention also to open suboffices at both Winnipeg and Edmonton. The administration in Saskatchewan will be directed from the Regina office, the administration in Manitoba from the Winnipeg office, and the administration in Alberta from the Edmonton office.

It is also our intention to ask the provincial municipal associations to take charge of the actual work of receiving applications from farmers before June 1, on forms indicating their 1939 and 1940 acreage of each crop and of summer fallow, and indicating their plans for bringing about a reduction in wheat acreage in 1941 by otherwise cropping or summer fallowing acreage which grew wheat in 1940.

We have already been in conference with the presidents and secretaries of the three provincial municipal organizations, and it is planned that they will use the municipal secretaries where there are organized municipalities, and the provincial officials in unorganized areas, to do the actual work of receiving applications and certifying the statements of applicants. It is our intention to make payments for these services, to the association for central services, and to the municipal councils for local services or to the provincial governments with respect to unorganized areas.

We have already consulted with the different organizations concerned, including representatives of the provincial governments, and have been assured that every service possible will be rendered by them in working out the administration. We intend to provide for the necessary inspection by municipal secretary-treasurers where that is thought necessary. By that type of inspection I mean that if a

secretary-treasurer finds it necessary, for instance, to make a check on certain information that he has received, provision will be made for that being done.

We intend to provide that the information secured and the applications made shall be turned over to the offices at Regina, Winnipeg and Edmonton and be checked with the acreage returns made to the prairie farm assistance offices over the past two years. Where there is any reason for a check being made upon the information received, that check will be made under the direction of our office. That, I may say, is being done at the request of the municipal associations.

The finance department will set up the necessary organization to audit and make payments at the earliest date possible following proof of claim. When and if the vote and proposal with regard to administration is accepted by the house, it is our intention to have the regulations drafted and they will be made available for consideration in some method which will be satisfactory to the house. A general discussion can take place freely on this estimate; a general discussion can take place freely on the regulations themselves, and from such discussion it is hoped that the farmers who are interested in the putting into effect of the policy will gain considerable information upon which to proceed with their seeding operations.

I think members of the committee will agree that it is most important that the matter be proceeded with as rapidly as possible in order that the information may be made available as soon as possible and the farmers enabled to plan their work accordingly. In saying that, I have no desire unduly to speed up any discussion which the members may wish to carry on in the house. I only wish to suggest that the more rapidly we can get to the point where we are discussing the actual regulations, the sooner it will be possible for the farmers to get, as they will desire to get, the information on which they will base their programme for the coming year.

Last evening in discussing the amendment which is before the house I concluded my remarks by saying:

> The position taken since the beginning of the war is to the effect that before any branch of agriculture receives assistance because we are at war it must be shown (1) that the market which existed for the product of that branch of agriculture has been seriously curtailed by the war; (2) that those engaged in that branch of the industry cannot readily change to any other without lapse of time and unreasonable expense, and (3) that those engaged in that branch of agriculture cannot maintain themselves in agriculture without government assistance.

Earlier in the session, I think it was when my estimates were under discussion previously, the suggestion was made in regard to dealing with certain farm products that the provinces could deal with them to better advantage than the federal government. The question was asked—I believe by the hon. member for Qu'Appelle—whether that statement applied to wheat. On that occasion I indicated that to my mind it did not. I should like to explain to the committee the meaning of the statement which I made at that time. It is associated with the reasons which I put forward last night for giving assistance to agriculture in various parts of Canada.

For example, it cannot be said that the market for Canadian bacon has been reduced by the war. As a matter of fact, we are now shipping more than twice as much bacon weekly to Britain as we shipped before the war began. We cannot, therefore, give a reduction of the market for bacon as a result of the war as a reason for the federal government giving assistance in connection with the marketing of bacon.

So far as the second requirement is concerned, that those engaged in that branch of the industry cannot readily change to any other, of course under the circumstances there would be no necessity for change. Since more than twice the volume of bacon is required that was required at the beginning of the war, there is reason for farmers going into that production rather than going out of it, and farmers have been going in rather than going out.

Then, that those engaged in that branch of agriculture cannot maintain themselves in agriculture without government assistance. There may be some question whether farmers who are producing bacon in certain parts of Canada are able to produce it at a profit. There may be some question whether in any part of Canada farmers are obtaining sufficient at the present time for their hogs to be able to purchase some of the commodities which they have to buy at the prices they have to pay for them. But it seems to me that some proof would have to be shown with regard to this third matter before the federal government would be justified in giving blanket assistance to the bacon industry across Canada.

With regard to dairy products a somewhat similar condition prevails. So far as cheese is concerned, we sent more cheese last year to the British market than we have sent in many years. This year we have contracted to send to Britain double the amount of cheese we were sending five years ago. It cannot be said, therefore, that the coming

of the war has reduced the market for cheese outside Canada, nor can it be said that the coming of the war has reduced the market for cheese inside Canada.

There are two reasons why we have seen fit to give some assistance to cheese production in spite of the fact that the market has not been restricted. Britain herself desires to have a much greater volume of the product than we are able to give her at the present time. Also, if we are to keep cheese in its proper price relationship to butter without calling on Britain to help, some assistance has to be given to cheese, which is marketed outside of Canada in large volume, whereas butter for the most part is consumed within the country. We have therefore given assistance in connection with cheese to the extent of three-fifths of a cent a pound. In the coming year practically the whole market for butter will be within Canada. When the market for butter ceases to be a domestic one, we have difficulties in marketing it at a price which will cover the cost of production to our farmers. It is only when butter can be marketed within Canada itself in practically the whole volume of its production that we have been able to obtain a price which makes it possible for our farmers to produce it, and in many districts even under those circumstances they are not able to do so.

So far as tobacco is concerned, perhaps it meets the first condition which is laid down. There is not in Britain to-day as great a market for tobacco as there was when the war started, but it would probably be more difficult to meet the other conditions which were laid down as to when products should obtain government assistance.

Coming to apples, which is the last product I wish to compare with wheat, and which compares more nearly with wheat, I draw attention to this fact, that before the war fifty per cent of Canadian apples were going to Great Britain. Of these exports Nova Scotia produced eighty per cent, British Columbia about fifty per cent, and Ontario only a small percentage. It became very evident early in the war that the growers would experience difficulties as regards both their costs of production and their markets. Britain stated immediately she went into the war that she did not desire to take apples. This announcement at once put the problem before producers all across Canada. I wish only to say in this regard that the government of Canada grappled with the problem in September, the very first month of the war. They met the apple growers of Nova Scotia and entered into an agreement with them; they did the same as regards the growers of British Columbia, and they set up conditions across Canada which made it difficult for apple growers from other parts of the dominion to compete in certain seasons with the producers in central Canada.

In view of these facts I believe there will be no question in the minds of hon. members, when they take into consideration what I have just said with regard to wheat and other products, as to whether wheat falls into the category outlined by the conditions set last evening.

In the first place, has the market been reduced? The market which existed for the product of that branch of agriculture has been seriously curtailed by the war. I need do no more than state the facts in order to convince this committee that so far as wheat is concerned the market has been greatly curtailed since the coming of the war, and that there is not much possibility, during the next twelve months at least, of a greater market being found for wheat than we have had since the beginning of the war.

The second condition is that those engaged in one branch of the industry cannot readily change to any other without lapse of time and unreasonable expense. I doubt if anyone in the committee would even question that wheat complies with that condition. It is not only difficult for farmers in the wheat-growing area of Canada to change from wheat growing to any other occupation, but in many of those areas it is almost impossible for them to do anything else to advantage but grow wheat. That being so, I do not believe anyone will question that as regards the greatest section of the three western provinces it is most difficult for the farmers to change from the form of agriculture which they have been following to any other form of agriculture.

Then there is the question whether those engaged in that branch of agriculture can maintain themselves in it without government assistance. It might be a little more difficult to establish the case under that condition; but it is not so difficult as it might seem, when one has before him all the statistics with regard to the matter and at the same time has been listening to the discussions which have been taking place in this house and outside it, relating to agriculture. I believe there is general agreement right across Canada that agriculture is the one national industry which, more than any other, has suffered because of the fact that we are at war.

That goes for every branch of agriculture and not merely for the wheat growing section. It is admitted, as was stated last evening in the house, by publications put out by an organization known as the manufacturers association which, apart from the fact that

they can do business with agriculturists across Canada, has no reason for taking up the case at the present time. I believe that every organization, every governmental body, everyone in Canada is agreed that agriculture as an industry has been suffering as greatly as any other industry in Canada as a result of the war.

Mr. HOMUTH: More so.

Mr. GARDINER: More so, my hon. friend says. I will not give the figures again but I would ask hon. members to review those which I put on *Hansard* last evening with reference to the gross agricultural cash income of farmers right across Canada.

An hon. MEMBER: They were not comparative.

Mr. GARDINER: They were not comparative as to provinces but I will make them comparative as between wheat and other commodities. The last year which was given prior to the time that there was a very rapid reduction in the amount of cash obtained from farm products throughout Canada was 1929, and the gross returns were $922,000,000.

Mr. CASTLEDEN: Are those figures the cash returns to the farmers or to those who sold the commodities?

Mr. GARDINER: Those are gross cash returns for the commodities, to the farmers. The next year, 1930, the amount was $630,000,000. I will not read all the figures, but in 1932 it was $377,000,000. I would point out that nearly all, and certainly by far the greater proportion, of that reduction was due to the fall in the price of wheat. It was due at the same time to the decrease in the volume of wheat which was produced. Practically the whole reduction in the returns to agriculture across Canada can be accounted for by reduction in wheat and in the price of wheat, and where there is a variation from that it is comparatively small. In 1933 the return was a little better, $390,000,000; in 1934 it was $481,000,000 and in 1935 it was $509,000,000. If hon. members will examine the records they will find that again by far the greater part, almost all, of the increase in return to farmers in Canada was due to increases in the production of wheat or to improved prices in wheat. In 1936 the return was $569,000,000; in 1937, $640,000,000; in 1938, $647,000,000; in 1939, $702,000,000 and in 1940, $714,000,000.

While not such a great proportion of the difference in income is due to wheat and wheat prices, yet the greater part of the increased income, more particularly in the years 1936 and 1938, is due to wheat and wheat prices, when prices were comparatively better and when crops were not as poor as they had been in some of the preceding years. All I wish to establish at the moment is this—

Mr. TUSTIN: Has the minister the comparative figures of increases and decreases for wheat and other commodities?

Mr. GARDINER: It would take so long to give them that I cannot indicate them at this stage, but later if they are required I will put them on *Hansard*. This statement has been obtained from the statistics branch of the Department of Trade and Commerce and I have comparisons with regard to all the provinces. All I need to do to convince hon. members that the wheat growing areas have suffered to a greater degree than other agricultural areas is to read the index price for receipts from sale of farm products for 1940 as compared with the returns from 1926 to 1929, taking the average over the period 1926-29 as 100. What were the figures for 1940 in the different provinces? The index return for each of the provinces was:

Prince Edward Island	64·8
Nova Scotia	98·6
New Brunswick	86·3
Quebec	99·8
Ontario	85·8
Manitoba	74·9
Saskatchewan	50·9
Alberta	69·7
British Columbia	112·9

I only need to call attention to the fact that outside the province of Prince Edward Island the three lowest provinces are Manitoba, Saskatchewan and Alberta. The index figure for Saskatchewan for receipts from farm products is lower than that of any other province, and Saskatchewan depends more upon wheat for its returns from agriculture than any other province.

Mr. NICHOLSON: Has the minister the average for the last ten year period?

Mr. GARDINER: I have it from 1926 to the present time. I do not wish to give the figures with regard to the index all through, but I will deal with enough of them to illustrate the point. The point in the hon. member's mind is, what it has been in recent years and what it might have been in the years from 1926 to 1929 in some of the provinces. In Nova Scotia in 1928, which is the middle year of that period, it was 107·9, and for the last three years it has been 114·9, 114 and 110·4. This last year it was 98·6, the obvious reason being that apples have been greatly affected by the war.

In New Brunswick in the middle year 1928 it was 96·1, and for the last few years it has been 81, 71, 81, and 86. There has been an improvement over any other year in 1940.

In Quebec, in the middle year 1928, it was 107, and during the last four years it has been 84, 84·5, 88·4 and 99·8. There has been a very marked increase in the last year.

In Ontario in the middle year 1928 it was 103·5, and for the last four years it has been 82·6, 83, 81·4 and 85·8. While there has been an increase in Ontario it has not been as great as in the last three provinces for which I read the figures. But it is still approximately the same as New Brunswick's return.

The figures for other provinces are as follows:

Province	1928	1937	1938	1939	1940
Man.	101·8	91·7	77·9	80·5	74·9
Sask.	114·0	29·6	32·2	55·0	50·9
Alta.	118·8	68·3	74·5	66·3	69·7
B.C.	109·1	104·1	107·2	113·7	112·9

The average across Canada, or the total for all provinces for 1940 is 74.

I think those figures will emphasize to the committee the fact that the wheat-growing areas are suffering more as a result of the coming of the war than any other agricultural section in Canada. In fact I do not think it was necessary to quote figures to prove that statement.

Mr. NICHOLSON: Would the minister place the whole table on the record?

Mr. GARDINER: I have no objection if the committee would like to have it on the record. The table is as follows:

RECEIPTS FROM SALE OF FARM PRODUCTS BY PROVINCES* 1926–1940

(Gross Agricultural Cash Income)

—	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
					(million dollars)					
1926	9·84	13·86	16·13	96·80	253·90	89·4	289·2	161·0	22·1	952·2
1927	10·41	14·99	14·08	96·70	252·10	78·3	269·8	168·7	24·3	929·6
1928	9·89	16·51	13·98	108·60	269·00	82·1	319·5	210·8	28·5	1,058·8
1929	9·56	15·84	14·00	103·70	264·90	72·5	242·9	169·5	29·6	922·3
1930	8·47	16·50	13·45	83·70	216·80	47·6	123·7	93·5	27·0	630·8
1931	5·16	12·91	9·53	62·80	163·40	30·7	70·0	69·7	18·5	442·8
1932	3·50	10·52	7·12	48·40	123·20	28·4	73·4	67·2	15·5	377·4
1933	4·02	12·92	7·49	48·50	129·40	32·2	73·4	66·4	16·0	390·4
1934	5·02	13·44	9·51	61·30	145·30	44·1	91·8	92·8	18·3	481·7
1935	4·85	14·20	9·54	65·70	155·00	36·1	108·2	96·6	19·1	509·2
1936	6·29	14·73	11·32	73·50	186·30	45·9	119·0	91·5	21·1	569·7
1937	5·96	17·58	11·82	85·24	214·84	73·95	82·85	121·26	27·2	640·7
1938	5·10	17·44	10·45	85·77	215·68	62·82	90·24	132·26	28·0	647·8
1939	6·30	16·89	11·79	89·66	211·65	64·95	154·21	117·70	29·7	702·8
1940	6·43	15·09	12·55	101·27	223·09	60·38	142·67	123·74	29·5	714·7
	Index Numbers Receipts from Sale of Farm Products 1926–29 =100									
1926	99·1	90·6	110·9	95·4	97·7	110·8	103·2	90·7	84·6	98·6
1927	104·9	98·0	96·8	95·3	96·6	97·4	96·2	95·0	93·0	97·3
1928	99·6	107·9	96·1	107·0	103·5	101·8	114·0	118·8	109·1	109·6
1929	96·3	103·5	96·2	102·2	101·9	90·0	86·6	95·5	113·3	95·5
1930	86·3	107·8	92·4	82·5	83·4	59·0	44·1	52·7	103·4	65·3
1931	52·0	84·4	65·5	61·9	62·8	38·1	25·0	39·3	70·8	45·8
1932	35·3	68·8	48·9	47·7	47·4	35·2	26·2	37·8	59·3	39·1
1933	40·5	84·4	51·5	47·8	49·8	39·9	26·2	37·4	61·2	40·4
1934	50·6	87·8	65·4	60·4	55·9	54·7	32·7	52·3	70·0	49·9
1935	48·9	92·8	65·6	64·8	59·6	44·8	38·6	54·4	73·1	52·7
1936	63·4	96·3	77·8	72·4	71·7	56·9	42·4	51·5	80·8	59·0
1937	60·0	114·9	81·2	84·0	82·6	91·7	29·6	68·3	104·1	66·1
1938	51·4	114·0	71·8	84·5	83·0	77·9	32·2	74·5	107·2	67·3
1939	63·5	110·4	81·0	88·4	81·4	80·5	55·0	66·3	113·7	72·8
1940	64·8	98·6	86·3	99·8	85·8	74·9	50·9	69·7	112·9	74·0

* Source: Report of the Royal Commission on Dominion-Provincial Relations. Date Supplied by Dominion Bureau of Statistics, Agricultural Branch.

Mr. ROWE: How could the minister say it was due to the war when 1937 and 1938 were still lower?

Mr. GARDINER: What I say is that when you take it across the country, in 1940, starting in Prince Edward Island and going all the way across, you find Saskatchewan is at the very bottom and had a decrease in 1940 as compared with the previous year. In order to prove the point I have been making with these figures, the statement which is borne out by 1937 and 1938 would have to be true. As a matter of fact, only 35 million bushels of wheat were grown in Saskatchewan in 1937, which accounts for the fact that the figure is down to 29·6, and that accounts for a considerable part of the low return in 1937 for agricultural products. To go back to other years, in 1932 the figure was lower than any of these. It was 26·2, the reason being that the crop was very small and, at the same time, prices were very low.

Mr. ROWE: The wheat problem existed before the war.

Mr. GARDINER: If we take it either way, the people growing wheat are, because of low returns, suffering to a greater extent at the present time than farmers in any other part of Canada.

Mr. KINLEY: In the minister's computation by provinces, does he take into account the wheat on hand in the west that has been practically sold to the government at seventy cents a bushel?

Mr. GARDINER: Yes; that has all been transferred to the government and the money has gone to the farmers.

Mr. STIRLING: Will the minister repeat the figures with regard to 1940, which I understand to be percentages of the average of 1926-29.

Mr. GARDINER: They are the index figures as compared with 100 for 1926-29.

Mr. STIRLING: Returns to the farmers?

Mr. GARDINER: Yes; index number of receipts from farm products. It is the gross return from agricultural products. It does not all remain with the farmer; it is what his economy area is based on, and it is the economy area with which we are at present concerned. All I am trying to place before the committee is this: We all agree that agriculture is in a difficult position at the present time; we can, by taking the actual figures, prove that by the test I suggested yesterday for different branches of the agricultural industry if they are asking for assistance from the government, the wheat-growing area can make at least as good a case as any other part of Canada, and to my mind a better case than any other part of Canada or of the agricultural industry.

Mr. HANSON (York-Sunbury): What the minister is telling us is that they have suffered more than any other part of Canada by reason of drought and low prices. But I protest against the matter being put on the basis of the war. It began long before the war came.

Mr. GARDINER: If the leader of the opposition insists upon it, it may interest him to know that the largest two consecutive crops western Canada ever raised were grown in 1939 and 1940, the year the war started and last year. Practically all that wheat is still in Canada. In other words, the war has made it impossible to market more than about half of the amount of wheat which we previously sold in the world's market through Great Britain and the shipping that went to Great Britain.

Mr. HANSON (York-Sunbury): That was not the beginning.

Mr. GARDINER: Well, that is one of the reasons for our present difficulty. I think it is fairly well known to the committee and to the people of Canada generally that wheat growing is a peculiar part of the agricultural industry. Wheat is a cereal crop which can be successfully grown in its best form only in dry areas. Wheat is the staple food of hundreds of millions of people in the world because of the fact that it can be stored for long periods of time without any great expense. The hon. member for Qu'Appelle thinks the expense of storing it in this country is too high, and I may agree with him in that. But it can be stored more cheaply than any other commodity produced on the farm and for a longer period of time. For that reason it is one of the most useful and serviceable food products in the world, and one that, in war time, can be used to better advantage than any other. Therefore, all other things being equal, war should help it in the long run. In the early stages of this war, however, as in the early stages of the last, wheat is suffering under some handicap on account of the manner in which the war has been conducted and has developed. If France had not been overcome in 1940, it is agreed by all statisticians that anywhere from 100 million to 150 million bushels of wheat would have gone into France.

Mr. STIRLING: Not necessarily Canadian wheat.

Mr. GARDINER: Not necessarily all Canadian wheat, but a very considerable part would

have been Canadian, by reason of our nearness to western Europe and the shortage of shipping.

Mr. HANSON (York-Sunbury): We will agree that it would have helped at any rate.

Mr. GARDINER: Yes, by far the greater part. But only a very small amount of wheat has gone to Europe since the fall of France; through the assistance of Great Britain, some went to Spain. Communications were immediately carried on with Canada in order to secure that wheat. It is natural that the wheat required in Europe during time of war will be obtained from the closest possible sources of supply, other things being equal.

Mr. STIRLING: The minister will agree that the wheat problem would have been confronting Canada, had the war never taken place?

Mr. GARDINER: Mr. Chairman, I will agree that with a large production of wheat such as we have had during the last two years, and had we been faced with ten years of preparation for the war, had there not been a war last year the wheat problem would have confronted us. If, however, there had been no ten years of preparation for the war, I am just as certain there would not have been any wheat problem last year. There was no wheat problem in this country in 1937 and 1938.

Mr. HANSON (York-Sunbury): Will the minister not agree with me that the problem dates back to the failure to sell the 1938-39 crop, upon which this country lost $61,000,000, before there was any war?

Mr. GARDINER: Mr. Chairman, I will say that it dates back much farther than that.

Mr. HANSON (York-Sunbury): That was the beginning of it.

Mr. GARDINER: I do not wish to begin a discussion respecting years, because there are some inferences I do not desire to introduce into this discussion, at least at this particular stage. There are, however, some years to which I could refer which were much more difficult than 1937 and 1938.

Mr. ROWE: What about 1929 and 1930?

Mr. GARDINER: As a matter of fact, on July 31, 1938, we had 23,000,000 bushels of wheat in Canada.

Mr. HANSON (York-Sunbury): Very little.

Mr. GARDINER: And we had all this discussion as to the wheat problem being one not capable of solution, years before that. Yet the wheat disappeared. Wheat went up to $1.36 a bushel—even up to $1.50 at one time during that year. Therefore, to say that the problem began in 1938-39 is scarcely going back far enough. We have gone over that problem time and again. I will admit this, that so long as we are growing wheat in Canada, or so long as it is being grown anywhere else in the world, in those dry areas suited to the production of high quality wheat there will always be a problem in connection with it. There will always be difficulties associated with the growing and marketing of wheat in those particular areas, in the first place because of the difficulty of growing it when there is not enough moisture, and the further problem which confronts us when there is a little too much moisture. Then there is the further difficulty of marketing the wheat when there are excessively large crops. But the possibility of storing wheat is what makes it an important food product and an important farm product, in spite of the difficulties I have named.

Mr. ROWE: Has the minister any estimate as to the possibility of increased output or increased markets in the event of the war ending in a year or two?

Mr. GARDINER: I am not going to attempt to discuss that question at this time, because it is far away from the problem with which we are now confronted. We are confronted at this time only with the problem of 1941, and we are attempting to deal only with that problem of 1941. We are attempting to deal with it in a manner which will provide not quite so much wheat to be marketed when the time comes, or when the market will be available for any wheat we may have to offer. We are attempting to create a situation where the difficulties will not be quite so great as they might be if something were not done in the matter.

Mr. DONNELLY: Was it not because of the collapse of France that our wheat price dropped down to about 70 cents, thereby showing that it was a war condition?

Mr. GARDINER: Yes. It was with the collapse of France that the wheat price dropped to a very low figure, and then we pegged wheat at 72 cents in order to prevent it from going still lower.

Mr. PERLEY: But that peg was long before the collapse of France.

Mr. GARDINER: No; it was after wheat had gone down to 68 cents, and that was after the collapse of the countries through which the German troops were passing.

Mr. SENN: I hesitate to interrupt the minister, but there is a question I should like to ask. He is basing his comparison of

revenues from agricultural production on the different prices obtained between the years 1926 and 1929. Is it not true that in those years the wheat growing areas in the west enjoyed large crops and high prices, and that their revenues at that time were greater than in other places throughout the dominion? Is it not true that although their revenues have dropped by a greater percentage than the revenues in other provinces, the comparison is still hardly justifiable?

Mr. GARDINER: The index prices for Saskatchewan for those five years were 103, 96, 114, 86 and 44. The figures for Ontario are 97, 96, 103, 102 and 83—a considerably higher average. The figures for Quebec are 95, 95, 107, 102 and 82; and for Nova Scotia, 90, 98, 107, 103, 107. It is clear, therefore, that they are not so different. In fact, they are somewhat close.

Mr. DONNELLY: Has this been the second largest wheat production year we ever had?

Mr. GARDINER: Not only is it the second largest, but in the last two years we have had the two largest consecutive crops we have ever grown in western Canada. Therefore the whole problem at the present time is not one arising from the fact that we have had low yields. The average yields in the last four years I would say would compare favourably with those of any four years in the history of western Canada.

I gave those figures to indicate to the committee the reasons for coming to the conclusion to which I believe we have all come, no matter on which side of the house we may sit or to which group we may belong, namely, that the wheat growing areas have suffered greatly, both before the war and since the war began. The war itself has had a great deal to do with the present position of the wheat grower in western Canada, and for that reason we have considered it wise to do something concerning his position. There is the further reason that I wanted to indicate to the committee, namely, the fact that farmers who have gone through the conditions indicated by these index figures must require some assistance—if we are to consider the representations which have been made from other parts of Canada concerning agriculture in those areas.

Having done that, if the committee would permit me I should like for a few minutes to deal with the wheat policy itself. I would place on record some of the requests which have been made, particularly from farm organizations and those who are presumed to be representative of farmers in all sections of Canada. As a matter of fact, two of them are representative of farmers right across Canada.

It will be recalled that two years ago one of the questions before the house was as to whether or not we should appoint an advisory committee to advise the wheat board. After discussion in the house, an advisory committee was set up. I believe I ought to give the committee the advice which was given the government and the wheat board by that advisory committee. They advise:

1. That the stocks of wheat owned by the Canadian wheat board as at July 31, 1941 (and which will amount to approximately 500 million bushels) be viewed as a war-time reserve.

2. That the dominion government continue a price guarantee for 1941-42 but that this guarantee be limited to the volume of wheat which can be marketed within the 1941-42 crop year. Marketable quantities are estimated as follows:

Domestic consumption.. 50 million bushels
Sold to export.....180 million bushels

Total.....230 million bushels

The advisory committee recommends that such a fixed price for 1941-42 be established by the dominion government as it may deem advisable, having in mind the restricted deliveries, and that it is in the national interest to maintain an adequate farm income.

3. That the fixing of minimum prices for wheat futures on the Winnipeg grain exchange be continued during the crop year 1941-42.

4. That the powers of the Canadian wheat board be enlarged to enable the board to control all sales of wheat by producers and others, having in mind that any excess production in 1941 must, of necessity, be retained on farms for an indefinite period.

5. That the processing levy now in effect be increased as from July 31, 1941, or sooner, to such an amount as when added to minimum prices above-mentioned shall equal a figure deemed to give the producer a remunerative return on that portion of his production as is:

(a) Consumed as flour in Canada for any purpose whatsoever;

(b) Utilized in all other wheat products used in Canada for any purpose whatsoever except for the feeding of live stock and poultry.

6. That the net proceeds of the increased processing levy be paid to producers in the form of a "domestic premium" on a per bushel basis on deliveries of 230 million bushels in 1941-42. The "domestic premium" will be in addition to the fixed price provided for under the Canadian Wheat Board Act.

I should like to say, by way of note, that the Canadian Wheat Board Act does not provide a fixed price for wheat; it provides for an advance to farmers.

Mr. DOUGLAS (Weyburn): From what is the minister quoting?

Mr. GARDINER: From a copy of the recommendations made by the advisory committee.

Mr. DOUGLAS (Weyburn): Will that memorandum be tabled?

Mr. GARDINER: It will all be in *Hansard* when I get through reading it. I am reading every word as I go along.

Mr. DOUGLAS (Weyburn): All the recommendations?

Mr. GARDINER: Yes. The recommendations continue:

7. That quotas be established upon the equitable distribution among producers of the amount of wheat which will be sold in the domestic and export markets during 1941-42.

8. That agriculture join with all other industries in Canada in effecting savings wherever possible as a war-time measure. In the case of agriculture, this can best be done by diversifying production and making the farm home as self-supporting as possible in respect to such commodities as eggs, milk, butter, vegetables, etc.

9. That the dominion government be requested to enlarge its research facilities in respect to finding edible and inedible uses for wheat and other farm products.

10. That an effort be made by the dominion government and the provincial departments of agriculture to fully explain the facts of the present wheat situation to the farmers of the prairie provinces.

The farmers of the prairie provinces know the wheat problem about as well as anyone in Canada, and I doubt if they need it explained to them. Those are the ten recommendations which have been made. It is not my intention to discuss these recommendations, except in so far as they affect the policy or the proposals which I am now outlining. Before proceeding to discuss these proposals in the light of these recommendations, I should like to place on *Hansard* a recommendation which was published in the press in December, 1940; I think it appeared in issues of different newspapers about December 12 or 13. This gave expression to the views of the wheat pool board which had met in Regina in the week of December 9, 1940. The one recommendation which refers to the matters I am going to discuss is in these terms:

Amendment by the federal government of the Canadian Wheat Board Act to raise substantially the minimum price guaranteed for wheat produced in the current crop year and for 1941.

I should like to call attention, in passing, to the fact that in neither the recommendations of the wheat board committee nor in this particular recommendation is any price for wheat mentioned. I have before me the recommendations of the Canadian federation of agriculture. May I say that the recommendation which I have just read is part of a set of recommendations which were passed, I think first in Regina, reconsidered in Winnipeg and then finally considered in Toronto. The recommendations which I am about to read are, I believe, the final expression of opinion of agriculture in Canada upon the wheat question.

[Mr. T. C. Douglas.]

Following the Toronto meeting, a delegation came to Ottawa, reported to the government of Canada and placed its recommendations before them.

Mr. DOUGLAS (Weyburn): Has the minister the date?

Mr. GARDINER: No; but I can get it later.

Mr. DOUGLAS (Weyburn): I think it was January 27.

Mr. GARDINER: Some time in January. The recommendations read:

Wheat. In the days that lie ahead, it may be that a measure of adjustment of agricultural production may be found necessary in the great wheat growing areas of the prairie provinces, which may involve the re-appraisal of western agricultural resources so that a balance in agricultural production may be established.

In the meantime, the problem created by heavy surpluses is a very real one for the western wheat grower.

The Canadian federation of agriculture recommends:

(1) That while an adjustment programme may be found necessary in the future, it is not advisable at the present time to introduce compulsory restriction of acreage seeded to wheat.

(2) For the coming crop year, we believe that the dominion government, through the wheat board, should undertake to announce the total amount of wheat of which it is prepared to accept delivery. We believe that the amount of wheat which may be delivered by the grower in the crop season of 1941-42 should be based on the estimated amount which the wheat board may be reasonably expected to market during the 1941-42 crop year, including both export and domestic sales. Having established the maximum amount which may be delivered, we recommend that the individual grower's delivery quota should be based on a policy which will preserve to each farm unit an equitable share of such maximum amount in proportion to the past production of the crop district in which it is located.

That is as near as one can get to a word description of what was read into the policy the other day by the Minister of Trade and Commerce (Mr. MacKinnon).

(3) That because of the restricted deliveries and in order to maintain the income of the western farm home, steps should be taken to increase the initial payment for wheat delivered in the crop year of 1941.

Again, there is no definite amount stated; it is an increase in the initial payment and not an increase in price which is asked for.

(4) That until such time as the price of wheat reaches and is maintained at a level commensurate with the price of those things that enter into the cost of producing wheat, a processing tax of not less than 50 cents per bushel be placed on all wheat milled for domestic consumption. The revenue from such

tax to be added to the aggregate price received for the wheat marketed and be available for the purpose of increasing the initial payment to the farmer.

I would point out that while the other recommendation did not state the amount to which the processing tax should be increased, this recommends that it be not less than 50 cents a bushel.

(5) It is anticipated that at the end of the current crop year, all existing grain storage facilities will be filled. We believe that these surpluses of bread grains may become an important factor in our war effort and that in the meantime they should be regarded as a reserve which will ensure a constant supply of wheat to Great Britain in the event of possible crop failure in the course of the war, and also be available to meet the needs of the people of Europe when the war is won.

(6) In view of the foregoing, and because we believe that the maintenance of reserve stocks of grain on the farm provides an effective form of crop insurance under existing conditions, we recommend that the dominion government be asked to provide financial assistance to farmers for the construction of adequate farm storage facilities to enable the farmer to adjust his deliveries in accordance with the system outlined above.

I would say now, so that I may not have to say it later, that in our opinion the time has not yet arrived when we should come to a final conclusion as to whether this proposal should be adopted. The suggestion is that we should encourage the storage of grain upon farms by financing the creation of adequate farm storage. Hon. members will agree with me that if we had a crop like that of 1937, or possibly 1934 or 1933 or 1932 or 1931, we would not be very much concerned about farm storage in western Canada, and particularly if we had a crop like that of 1937. Again, there would be certain areas in which we would not be concerned about farm storage if we had in those areas a crop failure like some of the failures we have had in the last two years, even with a big crop for the whole of Canada. We feel the time has not yet come to give a final decision on the question whether there should be farm storage; that it can better be left until later in the crop year.

Then (7):

It is recommended that the practice inaugurated during the present crop year, of paying farm storage, be continued through the coming crop season, and that the amount of the farm storage accruing due to individual farmers be used to repay any advances made to them which may be made for the purpose of providing additional storage facilities.

The Minister of Trade and Commerce announced the other day that there would be a continuance of the policy of payment for storage upon the farms.

Mr. CASTLEDEN: Within the quota?

Mr. GARDINER: Within the quota.

Then (8):

Since it is anticipated that practically no elevator storage space will be available at the time of the 1941 harvest, we recommend that the dominion government authorize the Canadian wheat board to make cash advances against that portion of the 1941 crop which the farmer can deliver under the arrangement outlined above during the crop year 1941-42.

Those are the recommendations which were made by the organization which represents farmers across Canada. Alongside those recommendations I have placed the recommendations which were made by the official body which was set up to advise the wheat board and the government on matters of this kind.

I think that with the exception of the definite suggestion that a processing tax be levied and that the initial payment be increased—with nothing definite as to the amount—and with the possible exception of the proposal made in one other section of these recommendations, we have already embodied in the policy which is before the house the greater part of what has been asked for in the resolutions of both bodies.

Mr. DOUGLAS (Weyburn): There is not much left.

Mr. GARDINER: There is a good deal left, perhaps much more than the hon. member thinks there is at the moment.

The fact that neither the Saskatchewan pool in its recommendations, nor the advisory committee in its recommendations, nor the Canadian agricultural federation in its recommendations, was able to insert a price, I think clearly indicates that, while there may have been some sentiment in these organizations in favour of changing the advance provided for in the wheat board act, there was considerable sentiment against it. I venture to say that if we had been able to take delivery of all the wheat, there would have been little, if any, sentiment in favour of a change in the advance payment. I think that applies to western farmers as well as to other people throughout Canada, namely, that if it had been possible to take delivery of all the wheat this coming year there would have been very little agitation anywhere in Canada in favour of an increase in the advance payment.

I should like to point out to the committee, before going on to discuss further the proposals which we have to make in relation to this question, just two things. One of them is that the government's policy has set a maximum delivery of 230 million bushels of wheat for all Canada. That means approximately 222 million bushels of wheat for the three prairie provinces, and at 70 cents a bushel Fort William it means 52 cents a bushel for the average farmer in western

Canada for No. 1 northern wheat. The amount of wheat which is to be delivered, multiplied by the sum which can be obtained out of the advance per bushel, gives approximately $115,000,000 for wheat.

Mr. JOHNSTON (Bow River): But No. 1 northern would not be the average grade, would it?

Mr. GARDINER: No. I am saying that is the top amount which could be secured by the delivery of 230 million bushels of wheat.

Mr. PERLEY: No. 3 would be the average grade.

Mr. GARDINER: Last year I think it was between No. 2 and No. 1. Sometimes it is very high and sometimes very low.

Mr. HANSON (York-Sunbury): Is the minister saying that $115,000,000 is the most that can be looked for by the farmers from the sale of wheat?

Mr. GARDINER: That is the maximum, it would appear, which the farmers will be able to get out of wheat in western Canada in the coming season.

Mr. NICHOLSON: Has the minister the average price for 1939?

Mr. GARDINER: The average would be the same. The advance in 1939 was 70 cents, and the average for the whole year was 49 cents, which is a little below grade 2.

I have stated the position to the committee in order to indicate that as compared even with last year the farmers are asked to make a cut from a gross return of $176,000,000 to a net return to the farmers of not more than $115,000,000.

Mr. BENCE: Where does the minister get the $176,000,000?

Mr. GARDINER: That is the figure in the reports of the statistics branch.

Mr. BENCE: The Minister of Trade and Commerce in his statement indicated that 472,000,000 bushels of wheat would be sold by the end of the crop year.

Mr. GARDINER: Sold?

Mr. BENCE: Delivered to the elevator at the end of the crop year ending July 31, 1941. If the minister is going to make a comparison, he should take that figure.

Mr. GARDINER: I find on consulting the report that I am out by $2,000,000, because the report shows that the receipts for the prairie provinces from the sale of "farm products, wheat", was $178,900,000.

[Mr. Gardiner.]

Mr. BENCE: I do not want to interrupt the minister, but the Minister of Trade and Commerce on March 12, 1941, stated in the house that approximately 472,000,000 bushels would be delivered this crop year; and if the Minister of Agriculture is going to take the figure of 230 million bushels of wheat as the maximum delivery during the crop year ending July 31, 1942, he should take comparative figures based on the 472 million bushels, which would bring in well over $200,000,000.

Mr. GARDINER: The figure I am taking is the figure of the statistics branch, and I do not want to change that figure. The situation is this, that we are asking this year that the farmer be satisfied with $115,000,000 from wheat, and we are providing him with sufficient money to make up at least some of the difference between what he would have obtained had he marketed all his wheat and what he is asked to take now.

Mr. JOHNSTON (Bow River): What percentage would that be?

Mr. GARDINER: I stated the other day, $36,000,000 from wheat.

Mr. JOHNSTON (Bow River): That is the amount you would have to make up?

Mr. GARDINER: No; that is the amount we estimate will probably be made up under the proposals I have placed before the house. There are other ways, which do not come under this policy, in which the money can be made up.

Mr. PERLEY: The maximum?

Mr. GARDINER: Yes, the maximum.

At page 1464 of *Hansard* of March 12, I placed before the house the agricultural part of the programme which the government desires to have put into effect this year, and associated with that, four proposals for the distribution of funds in the western provinces; and I wish this afternoon to deal with those four sections in order to indicate to the committee some of the things which may be done on the western farms as a result of the proposals made.

Mr. PERLEY: Would the minister mind putting on record all the proposals or recommendations which have been made? I believe he has gone as far as the pool. Did the Saskatchewan government not make recommendations? It would be well to have them on the record.

Mr. GARDINER: I will probably put them on, a little later. That introduces some other questions which we may all want to discuss. But they are approximately the same —with this difference, that they do set a price of 85 cents.

Mr. PERLEY: I think it would be a good thing to have it on *Hansard* right at this point.

Mr. GARDINER: I think it will get on *Hansard*. Just at the moment, however, I should like to get along.

The first proposal made was this:

It is our intention, therefore, to make payments of certain sums per acre on all reductions made in wheat sowings in the prairie provinces in 1941 as compared with 1940, provided the farmer does certain specified things with the land.

Since making that proposal to the house, as well as before making it, we have naturally been giving the widest possible study to the whole matter. But since those proposals were made we have had in Ottawa representatives of the three western governments and of the organized municipalities, and I have received from farmers in western Canada a great many letters citing their own situation and asking what effect these regulations would have upon their own farm operations.

Mr. HANSON (York-Sunbury): Has the minister had any from Abernethy?

Mr. GARDINER: Yes, a resolution from Abernethy and one from Balcarres. As a result of the information gathered, certain facts have been found to exist; probably the farmer members of this house knew before this proposal was made that they existed. There are some instances where farmers last year came to the conclusion, "We are in a war; therefore we should seed very large acreages"; and they did so. Other farmers came to the conclusion, "We are in a war, and therefore we should not seed large acreages"; and so they seeded last year lower acreages than usual. It just so happens that we have on record acreages of about 85 per cent, 75 per cent complete for two years, and about 85 per cent, 10 per cent of which is not quite complete for the two years, of the farms in the three western provinces. Those records were made up in connection with the administration of the Prairie Farm Assistance Act; so we are proposing that, when regulations are drafted, they include a provision that the forms which are sent out shall provide for the farmer making a statement as to what he did in both years, 1939 and 1940. I am sure that some hon. members will have proposals to make which will bear upon the same matter. We feel that this will have a tendency to average the two sets of individuals, one of whom increased his acreage in 1940 and the other of whom decreased it in 1940.

Then there is another group of individuals who started farming this year for the first time.

Mr. ROWE: I don't know why!

Mr. GARDINER: They have broken up new land, and some provision will have to be made for that type of individual. I will not take the time of the committee in reciting other categories; no doubt hon. members will refer to some of them as we go along.

Then we say this:

1. If he summer-fallows the reduced wheat acreage or part of it, the government will pay him $4 an acre for the reduced wheat acreage which is black July 1, 1941; payments to be made as soon as possible after July 1, 1941.

Now, "black" is a term which we in western Canada have been accustomed to use from very early days in relation to summer-fallow, but probably it is not a technical way to describe summer-fallow as we know it over a considerable part of western Canada to-day. The proposals and the regulations will be to the effect that the land is being summer-fallowed in a manner which is acknowledged by our various experimental farms in the different sections as being a reasonable kind of agriculture to pursue.

Mr. PERLEY: Will inspectors have latitude to say what is summer-fallow and what is not?

Mr. GARDINER: No; I do not think the inspectors will determine much of that. I think it will be according to the way the regulations are drafted.

Mr. PERLEY: They had a lot of latitude last year.

Mr. DIEFENBAKER: Suppose that this year there is a reduction of ten million acres by way of summer-fallow over and above the normal summer-fallow, what arrangements will be made in that event for payments on such reduction?

Mr. GARDINER: In that event we would have to make arrangements for payments in the same way we always do under such circumstances. Probably we would have to get a warrant. The matter would be provided for; the payments would be made under the regulations, and if additional amounts were required, we would have to get a warrant and bring the matter back to the house.

Mr. DIEFENBAKER: Have the regulations been drawn yet?

Mr. GARDINER: They are in process of being drawn.

Mr. DIEFENBAKER: Will they be placed before this house?

Mr. GARDINER: I said in the early part of the discussion that it was my intention to place them before this house in some form which would be satisfactory to the house.

. . . payments to be made as soon as possible after July 1, 1941.

This morning I had a recommendation from the government of Alberta to the effect that that date should be August 1 instead of July 1. Consideration will be given, of course, to the recommendation.

2. If he sows the reduced wheat acreage or part of it to coarse grains in the spring or, in the case of rye, in the fall of 1941 on lands not summer-fallowed, the government will pay him $2 an acre in 1941 as soon as possible after proof of sowing is established.

Mr. WRIGHT: Will flax and peas be considered as "coarse grains" within the meaning of the act?

Mr. GARDINER: We have not yet determined what will be included. We are examining into the position of flax at the present time, and will give an opinion on that later. I believe that, technically speaking, flax is not a "coarse grain." Peas, I think, would be.

Mr. DOUGLAS (Weyburn): Would alfalfa be considered a legume or a coarse grain?

Mr. GARDINER: No. Provision is made for sowing alfalfa, though, later. But the explanation I wish to make is to this effect:

If he sows the reduced wheat acreage or part of it to coarse grains in the spring or, in the case of rye, in the fall of 1941 on lands not summer-fallowed. . . .

It will be known by those who farm on lands in western Cnaada that there are some who sow their rye on summer-fallow and there are others who sow their rye on stubble land. There are some who do not believe in summer-fallowing in certain areas, and they let their land lie fallow without cultivation during the early part of the summer. They may sow that land to rye in the fall and collect $2 as a result. That, I think, covers pretty well the explanation in connection with that section.

The next, No. 3, provides:

If he sows a reduced wheat acreage or part of it to grass or clover during 1941, provided the land has not also been sown to coarse grain, or summer-fallowed, the government will pay him $2 an acre as soon as possible after proof of sowing has been established, and an additional $2 an acre if the same land is still seeded down to grass on July 1, 1942.

The intention of that section is to get land seeded to grass in the first place and, in the second place, to keep it seeded to grass for the second year, which is the only reason for seeding it to begin with. This would tend to prevent it from being ploughed up again and put back into wheat the second year.

Mr. LEADER: Suppose a farmer had a volunteer crop of sweet clover. Many of us in Manitoba have been sowing sweet clover for years and the land is practically full of that seed. Suppose a farmer should wish to let that land produce a sweet clover crop this summer; would that be classed as falling within that section?

Mr. GARDINER: I am afraid not, although I should not like to express a definite opinion on the point at this stage. It would not come under this particular section or any section that I have read so far.

Mr. LEADER: A good deal of it will be done in Manitoba. It is done to a certain extent every year.

Mr. WRIGHT: Why is a distinction made between the man who seeds down with a coarse grain crop and the man who seeds down without? In our section we seed down to clover along with a coarse grain crop, according to the regulation. We do not receive $2 an acre if we seed down with the use of coarse grain.

Mr. GARDINER: There is no difference in the position so far as this year is concerned. That is to say, the man will get $2 if he seeds coarse grain in the spring, and he will get $2 if he seeds grass on stubble in the spring. In certain sections of the west where it is dry, it would be wise to put it in with a nurse crop. In the section in which my hon. friend farms it would not be wise to put it in the nurse crop, so that we do not desire to provide for seed in the nurse crop in that case, because we consider that a good deal would be wasted in certain sections. But in a section where it is the proper thing to seed in the nurse crop, $2 is paid for the nurse and $2 the following year for the grass.

Mr. ROWE: If he sows two crops he gets two returns, provided he has summer-fallowed?

Mr. GARDINER: Through the two years, yes. By July, 1942, he would be almost ready to cut a wheat crop on the other land.

The next section, No. 4, provides:

If he sows a reduced wheat acreage or part of it, which is also sown to coarse grain or which is summer-fallowed in 1941 to grass or and clover, or to rye in 1941, the government will pay $2 an acre as soon as possible after July 1, 1942, provided the same land is in grass or and clover or rye on that date.

It will be noted that under that a man can take a summer-fallow on which he drew $4 an acre in the spring and sow it to grass in the fall, as many farmers do. They sow crested wheat grass in the fall. On the other hand, he can sow it to rye, as many farmers do. He will get nothing for sowing rye or crested wheat grass on summer-fallow in the fall of 1941; but if he leaves the rye or crested wheat grass on the land until July 1, 1942, he will

receive $2 an acre for having sown it. This means that if it were summer-fallowed this year, and there were still grass or rye crop on it on July 1 next, in the two years he would have collected by that method, $6.

Mr. ROWE: If he summer-fallowed one year and got $4 and seeded it in the spring as a nurse crop, he would get $4 more; and if he summer-fallowed the next year, would he still get more?

Mr. GARDINER: There is no provision for seeding anything in the second year. That is why I said that I did not wish to place these regulations on the statute books in the form of legislation. It is simply a provision for this season for the carryover of grass or rye into the succeeding year.

Mr. CASTLEDEN: Is that only on reduced wheat acreage?

Mr. GARDINER: Yes, only on reduced wheat acreage. If a man had 100 acres of wheat and reduced his wheat acreage by 40 acres, that is, if he had 100 acres in wheat last year and this year seeded only sixty acres of wheat, and summer-fallowed twenty acres, sowing the other twenty acres to grass or coarse grains, then he would receive $4 an acre on twenty acres and $2 an acre on the other twenty. I think that is all it is necessary for me to say to explain the intentions of the government in making payments to farmers.

Mr. LEADER: Suppose a man did not have any wheat in, last year—and there are several —would he come into the picture at all?

Mr. GARDINER: If he had wheat in 1939. We intend to take the two years.

Mr. LEADER: But he loses 1940.

Mr. GARDINER: We intend to take two years and average them, and he would probably have some recognition because of what he had done in 1939. I should not say that we intend to take two years and average them; we are getting information now on which to base the regulations so that they will be fair to all farmers throughout the west. We may decide to take 1939 instead of 1940 because of the fact that the war had not entered into the picture in 1939 when the crop was sown, but we wish to look into all the facts before deciding finally what should be done. Something will be done to take care of such cases.

Mr. WEIR: Has the point been considered with reference to grass that may have been seeded last fall? On certain lands in Manitoba grass is seeded the fall before, which ordinarily would be seeded in the spring of 1941. That is one class of farmers I have in mind. There is another class of farmers who are to a large extent using corn as a summer-fallow substitute. They are using larger acreages for summer-fallowing, sowing corn wider apart. They regard it as a method of summer-fallowing rather than as the production of a corn crop. Is consideration being given to that?

Mr. GARDINER: I would rather wait until we have the regulations in front of us before discussing too many details. So far as the first case is concerned, the person who farms in that way is taken care of in the proposals. If the proper method of sowing grass seed in that particular area is to sow it in the fall, the farmer will get the advantage of the provision which states that if he does sow it in the fall of this year he will receive $2. We are not paying anything for anything done last year.

Mr. ROSS (Souris): In view of the statement the minister has made, taking into account the years 1939 and 1940, the basis would have reference to acreage rather than to the operator? That would be based on the acreage, irrespective of the operator? For instance, there are many tenants who change each year.

Mr. GARDINER: Yes, it would have to be based on the land and what was done with the land the year before, taken into consideration. There will be a great many variations; that is the reason we have to do it by regulation. There might be a father whose son gets married this year and who divides his farm; or a man who sells part of his farm, and it may be found that all the wheat was on the part now in possession of another. There are scores of cases, and the matter must be dealt with by regulation.

Mr. GERSHAW: Will alfalfa be classed as grass?

Mr. GARDINER: There is no doubt about that. It says "grass or clover."

Mr. HANSELL: Would ths minister amplify what is likely to be the regulation concerning tenants on land? Will the amount be paid to the tenant or the owner?

Mr. GARDINER: The present intention, and I think it will be carried into the regulations, is that this proposal will follow a different principle from that of the Prairie Farm Assistance Act. Under that act the purpose is to give assistance to people who, because they have a poor crop in a particular year, require help. That is for the purpose of maintaining on the land the people who are on the land. This legislation is for the purpose of giving a larger return to people who are being denied the right to sell their wheat this year.

Therefore the view held is that the division of the money should follow the contract; that is, where there is a crop payment contract which provides for a two and one division of the money, two-thirds to the renter and one-third, it may be to the mortgagor, or to some other person who is merely renting, the payment will be made on the basis of the contract.

Mr. QUELCH: Will there be provision for dealing with new land, taken in 1939, broken in 1940?

Mr. GARDINER: Yes; there will have to be provision made for that land. It will have to be taken on an average basis or some other such basis.

Mr. HANSON (York-Sunbury): I desire to say a few words, not on the principle of the proposal but on the procedure proposed to be adopted. I had intended to make my protest with regard to this matter before the minister made his general statement. I shall, however, do so now.

I suggest to the minister that the reason which he gave for bringing down the wheat policy as an estimate is totally inadequate and is not in accordance with the precedents heretofore followed in this house. It is a denial of the principle of responsible government. We are asked to vote money but are not to have any say at all with respect to the manner in which it is to be expended. This house is not a mere debating society. It is the supreme legislative body of the nation, and it is the right and the duty of this house and of parliament to pass in legislative form the policy to be followed and to prescribe the conditions under which that policy shall be placed in effect; not merely to order the issue of a blank cheque to the Department of Agriculture.

Apart from the situation in this chamber, the proposed procedure of merely tacking a policy on to a supplementary estimate or money bill will, under our rules and practice in parliament, preclude the other chamber from dealing with this matter, one of the most important, if not the most important of our domestic problems.

I do not understand why the Prime Minister, who throughout his public life has so frequently declared his belief in the supremacy of parliament, should insist upon this procedure. With all the emphasis and sincerity at my command I appeal to him to turn back to our established and time-tried procedure and to allow this parliament, not the governor in council, to take the necessary legislative action.

What is proposed to be done is not sound policy and procedure. I have said on many occasions that, since the war began, we in this house have abdicated our function. This course should not be pursued any further. In a domestic problem like this, parliament should regain some of its supremacy and authority. On a purely domestic issue such as wheat, surely the minister will not deal with it by a mere vote in the estimates.

May I remind the minister and the committee that in 1931 when the crop yield was low, prices low and farm income low, the then government undertook to help the wheat producers by a bonus of five cents a bushel. This was done by way of a bill, not an estimate. Such a course as the latter was not even suggested. The bill as introduced was passed and became chapter 60 of 21-22 George V, 1931. The principle was embodied in the bill, and the supremacy of parliament was recognized.

I turn now to that legislation. It was temporary in its nature, just as this is. It was not a policy that was to continue. This is what it provided for, after the preamble:

1. The governor in council may authorize the payment, out of the consolidated revenue fund, of the sum of five cents for every bushel of wheat grown in the provinces of Alberta, Saskatchewan and Manitoba in the year 1931, and delivered to any licenced elevator in the western inspection division, commission merchant, track buyer or grain dealer, as defined by the Canada Grain Act.

The governor in council did take authority to make regulations, but I call attention to this very important fact, especially from a legal point of view, that those regulations were confined to regulations of certain specific character. They were to make regulations for:

(a) the kind, form and terms of the document to be issued on the delivery of wheat to any elevator or over a loading platform;

(b) determining the person to whom the said sum of five cents per bushel shall be paid and the method of the payment thereof;

(c) making such arrangements as may be necessary with the Board of Grain Commissioners for Canada or other statutory body for payment of the said sum;

(d) the keeping of proper books and records by the operator or manager of any country elevator or other person receiving such grain, and the examination and audit of the same;

(e) preventing fraud, misrepresentation or illegal or improper conduct on the part of any person or persons in any way concerned in the carrying out of the provisions of this act or any regulations made thereunder;

(f) prescribing penalties to be imposed for breach of the provisions of this act or the regulations made thereunder.

Finally, the act was to expire on July 31, 1932, namely, the end of the then crop year.

To say that this is a temporary measure and, therefore, should be given effect to by a supplementary estimate is, I submit, an absolute *non sequitur* and is against the pro-

cedure heretofore adopted in temporary measures of this kind in this house. I suggest to the minister that if he is determined to persist in the policy or procedure now before the committee, this estimate should not be passed until the regulations are brought down and we may know what they are.

I appeal to the private members of this house to insist that this be done, because they are giving to the minister—to this minister—a blank cheque to say how $35,000,000 may be distributed among the farmers of the three western provinces; and from what we have heard to-day, let me say it is not limited to $35,000,000; it may be double that sum. And it will be paid under a governor general's warrant. If hon. gentlemen did not understand the implication of the minister's language, I suggest that they read it carefully. That $35,000,000, the amount mentioned in the estimate itself, is not the limit of the final bill which the taxpayers of Canada will have to pay, whether or not one approves the principle of this resolution.

Finally, I suggest to the minister that the whole matter should be sent to a special committee, where every party and interest may have an opportunity to be heard and to present their views. There is a wide division of opinion in this country as to the adequacy or otherwise of this policy. Why is it that opportunity is given to only a few to present their views to the government of the day concerning the policy to be adopted? Many others who have not access to the ministry do not have that opportunity.

I remember the time when the principle of setting up a wheat board was discussed—and I shall have something to say about that at a later stage in these proceedings. A new principle was being adopted, a principle which might or might not become permanent government policy. Time has shown that it was the only correct policy; it has come down from that day to this, and is operative to-day. Hon. gentlemen opposite, who were then sitting on this side of the house demanded that the principle of the bill be submitted to a special committee, and that was done. They were opposed to the principle of the bill, but they were afraid to strike. The bill went to a committee, and when it emerged it was greatly improved because it had been so submitted. The principle was sustained, and the democratic method of legislating in respect of the people's money was also sustained.

I say to the minister, to hon. members and to the people of Canada that the method here suggested is wrong. This method is wrong.

Mr. McNEVIN: What about the committee on agriculture?

Mr. HANSON (York-Sunbury): There may be some difference of opinion. I never sat on the committee on agriculture, and I do not know whether it would be the proper body.

Mr. McNEVIN: It is a much larger committee.

Mr. HANSON (York-Sunbury): Probably it is too large; that would probably be an argument against it. I suggest there ought to be a special committee, carefully selected from among the membership in this house, and consisting of hon. members who know most about wheat. They would be the best judges of what should be done in the circumstances, and what policy should be followed. They would have power to deal particularly with the details of such a policy, and especially they would have information respecting methods of procedure and methods of payment.

What have we here? Just read the estimate:

To provide for payments on reductions in wheat acreages, under conditions prescribed by the governor in council—

And then it continues:

—for administration expenses in connection therewith, and for temporary appointments that may be required notwithstanding anything contained in the Civil Service Act.

In other words, on a purely domestic problem we are being asked to delegate to the governor in council the whole task of legislating on this important proposition. All we are asked to do is to supply the money. That is a direct negation of the principle of responsible government. I appeal to the minister, if he is bound to proceed in this way, that the whole question be submitted to a special, select committee of the house. I make the further appeal that the procedure he is adopting is not the right one. It is not the way in which parliament has handled this sort of thing before.

I suggest that the method adopted in 1931 was the correct one, and that both branches of parliament should have something to say about this. This is a clever method of preventing hon. gentlemen in the other chamber, gentlemen who know as much about the wheat problem as hon. members in this house know, and who have had a long experience in the business, from having anything to say about how this money shall be expended.

I suggest to the minister that it is not too late to reverse his position. This matter should come to us in the form of a bill; it should be placed in a statute, and the framing of regulations which may be changed at will should not be left to the governor in council. Those regulations may be changed, not once or twice, but from time to time, to

suit the situation as the minister thinks it may arise. That, I suggest, is a terrible principle. Such procedure may be necessary under the War Measures Act; but with respect to a purely domestic problem such as this, in my opinion it is indefensible in principle, and should not be considered by hon. members. I appeal to private members, to members supporting the government—to the farmer members from Ontario who will be adversely affected by this bill—whose constituents will be adversely affected by this bill—

An hon. MEMBER: How will they be adversely affected?

Mr. HANSON (York-Sunbury): I propose to prove that later on, when I am dealing with the whole problem. I am now dealing only with the question of procedure. However, just to answer my hon. friend, in a word; if the whole of agriculture of the western farmers is turned toward the raising of coarse grains and feeds, and toward a development of the hog raising business, how can it help but affect the farmers of eastern Canada? That is the answer.

An hon. MEMBER: It will come.

Mr. HANSON (York-Sunbury): It will come, but do not let it come in this form. That is the principle for which I am contending at this time. I am contending for the method which should be adopted. The one which has been suggested is arbitrary, and is a negation of the principles of responsible government. And we, whose duty it is to sit in this chamber and to judge and pass upon matters placed before us are not to have anything to say about it—except to vote the money for it. I protest against that procedure.

Mr. GARDINER: On the point raised as to there being no precedent, I would refer the leader of the opposition to vote *174* in this year's estimates—and a similar vote will be found in the estimates for other years:

Payments in connection with the movements of coal under conditions prescribed by the governor in council, $4,500,000.

The estimates are full of items like that, and they have been ever since confederation. This item is not anything new in the estimates, so far as that point is concerned.

Mr. HANSON (York-Sunbury): It certainly is in the matter of magnitude.

Mr. GARDINER: With respect to the bill passed in 1931, may I point out that it was passed for the purpose of making terms with respect to wheat which was to be delivered in the fall of 1931. At the present time we are preparing for what has to be done within the next month—not in the fall of this year. The matters to be dealt with will have to be dealt with much more expeditiously than could be done by any other method.

On Tuesday, while the war appropriation bill was in committee, on an item for some $7,000,000 the leader of the opposition rose in his place and asked me to put in that item a minor provision respecting an expenditure on potatoes. That item contained provision for expenditures on apples, and on coarse grains in eastern Canada.

Mr. HANSON (York-Sunbury): That is a war measure.

Mr. GARDINER: "That is a war measure," my hon. friend says. The regulations under this will have to be under the War Measures Act, as well as the regulations with regard to that vote.

Mr. HANSON (York-Sunbury): This vote will give the authority.

Mr. GARDINER: It will give the authority to spend the money, but it will not give the authority to do other things which have to be done. Regulations will have to be set up under both the War Measures Act and under this vote.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. McNEVIN: Mr. Chairman, in rising to make a few remarks in connection with the wheat policy, I desire to refer briefly to some of the statements made yesterday by the Minister of Agriculture (Mr. Gardiner) when he suggested that there would be full opportunity on the discussion of this vote to deal with the agricultural problem of the west. It is not my intention to deal at any length with what might be termed the general agricultural problem. I feel quite confident that in connection with the government's record and agricultural policy I can find much for which to commend them and also some things for which they could be criticized. The minister made a further statement with reference to the matter under discussion and left the inference that the matter had not been closed entirely, that after full discussion had been had, the government might decide to make any adjustments or changes which were deemed advisable. I noticed a statement in the press to the effect that the municipal representatives from western Canada had left for their homes yesterday or the day before to prepare

to put this policy into operation. I was much concerned when I read that statement, but I was pleased to note the remarks made yesterday by the minister.

There are two or three matters which came up in the general discussion and which, I believe, have a direct bearing upon this question. It has been said that the production of munitions in Canada has been centred largely in the central provinces. Of course, that is a matter for the Minister of Munitions and Supply (Mr. Howe), and I think it is in good hands. I do not know which province has the largest per capita expenditure on munitions, but the point I wish to make is that this vastly increased programme for the production of munitions has to a certain extent assisted the farmers from one end of Canada to the other. It has created larger markets for beef, pork, butter and poultry products, and all farmers have benefited similarly from this production. In Ontario, however, I do not think we can say that the production of munitions is of great advantage to the farming population, particularly in the areas where the production is taking place. In some instances this production has increased rather than decreased farm problems. It has taken much labour away from the farm and has increased the cost of what labour is still available for that type of work.

A further statement was made with respect to the pay and allowances of our troops being centred in certain portions of Canada. It would be a foolish question to ask, but we could inquire the extent of the pay and allowances being paid to our forces in England. I contend that our forces must be centred where they can do the most effective work, and the matter of pay and allowances is an unimportant item. The country is at war, and our forces are not protecting just the wheat grower or the hog producer; they are protecting the vital interests of all the people in all the provinces across Canada.

During the discussion this afternoon it was said that the wheat question was a war casualty. I do not contend that the wheat problem has not been affected by the war, that is up to a certain point, but it has been affected to a far greater extent by the weather. It is a weather casualty rather than a war casualty. I think I can prove this statement by giving the wheat production for the three-year periods 1935 to 1937 and 1938 to 1940. The production figures are as follows:

Year	Bushels
1935	264,096,000
1936	202,000,000
1937	156,800,000
1938	336,000,000
1939	494,000,000
1940	525,000,000

14873—122½

The total production for the first three-year period was 622,896,000 bushels, and for the second three-year period 1,355,000,000 bushels. If we want to get a true picture of the situation, we should reverse these production figures, putting the production in the latter period into the first. Dealing with this matter, the Minister of Trade and Commerce (Mr. MacKinnon) said recently that as of July 31, 1941, he expected that we would have a wheat carryover of 575,000,000 bushels. If the production figures were reversed, instead or having a carryover of 23,000,000 bushels on July 31, 1938, we would have had a carryover of 758,000,000 bushels, or 175,000,000 bushels more than we expect to have as of July 31, 1941. I think I am within the bounds of reason when I say that our wheat problem is to a far greater extent affected by weather than it is by war.

I believe that the new wheat policy can be divided into three main divisions. First, there is the proposal to pay $4 an acre for summer-fallow; second, $2 an acre is to be paid for seeding for grass or clover; and, third, $2 an acre is to be paid as a bonus for the production of coarse grains. I shall deal with these in the order in which I have listed them. I do not think I can be accused of ever having been unsympathetic to the problems or needs of western Canada. During the discussions which have occurred previously in this chamber with regard to wheat policies, I contended as vigorously as I could that a limit of 5,000 bushels should be placed upon the amount of grain that any one farmer could deliver to the government at a set price. I have had no reason to retract from that stand. Had we adopted that policy, even as late as the spring of 1940, I contend that our problem to-day would not be as great as it is.

This brings me to the summer-fallow question. I believe that this principle should be applied here. If that is done, then I think we can reach a compromise in which I would agree fully. In order further to illustrate this point, I would refer to the fact that in connection with old age pensions we have placed a limit upon the amount of money that may be taken out of the treasury. An old age pensioner, with a wife to support, can draw the full amount of $20 a month and still have an earning capacity of $250 a year. But the minute his earning capacity increases beyond that $250 the pension is reduced by the amount of that increase. We have adopted here a principle that there must be a limit to the amount of money which can be taken out of the treasury by a single individual. I might enlarge upon that and say that the same principle is applied to those people in receipt of blind pensions.

I go further and state that the same principle is followed in the payment of dependent's allowance. I know of a woman whose husband is an old age pensioner getting $20 a month, and who had an earning capacity of $1 a day in the summer time. She had a son in the army who turned over his assigned pay and dependent's allowance to her, and immediately the pension of the husband was cut to $5 a month.

The point I want to make is this, that if we apply this principle to our aged and unfortunate people, and still more to the blind, and apply it to the dependents of the men in our armed forces, of restricting the amount that can be taken from the treasury, am I going too far in suggesting that the same principle should be applied where large sums of money are paid from the public treasury for other specific purposes? I have not the time in this debate to develop what I think would be a fair limit on the number of acres of summer-fallow on which a bonus is to be paid under the government's proposals, but there will be time for that later on.

I pass on to deal with the bonus of $2 an acre for seeding wheat acreage to grass. I am happy to say that I am in full accord with that proposal. I think the members of the committee will agree with me that a vast number of acres, hundreds of thousands, yes, millions of acres in western Canada which should have been left in grass have been put under the plough. I realize also that, because of the wide acreage to be sown, the cost is great and, in addition, there is a greater weather hazard there than in other parts of Canada. Therefore we can afford to pay something out of the public treasury in an endeavour to get large areas of that country back into grass, and if we succeeded in doing that, the best thing to do would be to leave it in grass for the future.

This brings me to the third item, the proposal to pay a bonus of $2 an acre on wheat acreage that is sown to coarse grains. Of course the principle is this. It is estimated that under these proposals there will be a reduction of 9,000,000 acres in the acreage sown to wheat this year. Perhaps it is only fair that there should be some recompense for that reduction in acreage, and the bonuses that are to be paid for summer-fallowing, for sowing to grass and for sowing coarse grains, are all closely related to the 35 per cent reduction in wheat acreage.

Before I go further into that, in order to emphasize one point in connection with the wheat situation, I should like to refer briefly to two or three phases of the wheat marketing business in western Canada. I wish to take hon. gentlemen back to the time when there were two joint-stock companies efficiently marketing large quantities of western grain. Those companies were in a strong financial position and accumulated large reserves, one of them, the Saskatchewan Cooperative Elevator company, building up a reserve of $11,000,000. Then some men, I am sure with an honest purpose, went through the prairies and said to the farmers, "Look at that $11,000,000 of reserves! That money should not belong to the company; it is yours, and you should have received a higher price for your wheat." Rightly or wrongly, very large numbers of farmers believed in that theory, and in that way the pool idea developed. Along with that, the idea developed that it was not necessary to have very much money to market wheat, that all one had to do was to have the wheat, pay an initial payment, and borrow money from the bank, and then when they sold the entire crop of wheat later on, they could repay any instalments still due. That was a false idea, and I am sure that western Canada has paid dearly for its experiences in that connection.

Then we come to the pool period, to the time when this organization developed a world-wide crop intelligence service which furnished not only crop reports but carefully tabulated statements of the possibilities of wheat consumption in various countries of the world. That developed in western Canada in one year the attitude of mind that wheat was worth $1.75 to $2 a bushel. Buyers came along; and when the pool and grain trade had the chance to sell large quantities of wheat at $1.40 to $1.50 a bushel, they let the opportunity pass and these world buyers went elsewhere and bought their wheat requirements at a lower price. I do not say that this was the fault of the pool or of the companies in the grain trade. Perhaps they were all equally to blame. The market in western Canada went down steadily until it fell below the initial price paid, and the banks asked, "Whose wheat is this? We have advanced more money upon it than it can be sold for", and so they stepped in and took over the wheat. That was when the wheat business began to be a real problem for the people of Canada at large.

We emerged from that period with a wheat board; and if there is any question that has been largely discussed in this chamber on previous occasions, it is the operations of the Canadian wheat board. I might recall to the committee many figures, running into $60,000,000 one year, $57,000,000 another year, and so many millions another year, but I think the committee has heard enough of that. I wish to make just this one remark. I do not

like to utter any word of criticism of those who were engaged in the various phases of marketing grain in western Canada. I am serious when I say this, that I believe their efforts were only those of honest men seeking for something better which they did not always find. I go one step further and say that when the Saskatchewan Elevator company was sold out to the pool, the guardian angel of western Canada must have been sound asleep.

Mr. CASTLEDEN: There never was one.

Mr. McNEVIN: I now come to discuss what, to my mind, is by all odds the most far-reaching item in this wheat policy. I refer to the proposal to pay a bonus of $2 an acre for the production of coarse grains. We all know that production costs of coarse grains in western Canada are less than they are in eastern Canada and other parts of the dominion. In the west they farm larger areas and produce grain cheaper; their taxes are lower, and therefore they can produce these grains for less money.

An hon. MEMBER: And mortgages are heavier.

Mr. McNEVIN: What would be the inevitable result if we adopted this policy of bonusing the production of coarse grains in the west at $2 an acre? Under present conditions there is only one possible result. You can refer coarse grains to any category you like; but, as understood by the ordinary farmer, "coarse grains" is hog feed and cattle feed, nothing more and nothing less, although one might send a few bushels of barley to a brewery, or something like that.

I am strongly opposed to this idea of bonusing production of coarse grains in western Canada, thus cheapening production in the west and by that method driving the Ontario farmer out of the hog business. It is quite possible that under ordinary conditions as they now exist without state assistance, the farmers of western Canada could make it most difficult for the hog producers of the east, particularly in Ontario. But, Mr. Chairman, if we have to go out of business, let it be on a fair basis; I as a farmer am prepared to take my medicine, because we are in a democratic country and fighting to defend democracy, and I do not want any advantage over my fellow farmer in the west or the maritimes or anywhere else. I do, however, object to a policy whereby we take from the state money to cheapen the production of hog feed in a particular area, and thereby drive the farmers of my own and other provinces out of business, and I will go further, drive some farmers in western Canada out of business.

I should like to demonstrate what is the trend of hog production at the present time:

Year	No. of hogs
Ontario	
1939	1,667,991
1940	2,191,456
Increase	523,465
Quebec	
1939	336,575
1940	524,498
Increase	187,923
Total increase in two central provinces in 1940 over 1939	711,388
Alberta	
1939	979,898
1940	1,485,382
Increase	505,484
Manitoba	
1939	327,202
1940	510,789
Increase	183,587
Saskatchewan	
1939	212,188
1940	648,938
Increase	436,750
Total increase in three western provinces in 1940 over 1939	1,125,821

From these figures it is not hard to establish what is the trend of hog production in Canada.

I deal now with the first two months and three weeks of the present year, or up to March 20, 1941:

	Hogs delivered
Saskatchewan	112,901
Alberta	317,442
Manitoba	267,709
Total deliveries in western Canada	698,052

During the corresponding period of last year these three provinces produced only 407,905 hogs, so the increase this year is apparent, and very large, amounting to 290,147.

What is the situation in Ontario and Quebec? They delivered in the same period of 1940, 506,907 hogs, and in 1941, 593,052, or an increase of 86,145. Therefore the trend at present is that hog production in western Canada is increasing by leaps and bounds, much faster than in eastern Canada.

I have spoken of the 9,000,000 acres; I will now go back and subdivide this figure in a manner which, although I do not claim that it is exact, is some indication of what may happen if this policy were put in operation. I estimate that, of the 9,000,000 acres, 5,800,000 will go to summer-fallow, 1,000,000 to grass seed, and 2,200,000 into coarse grains and,

therefore, be eligible for the $2 an acre bonus. That will give a total of $4,400,000 in payments for the production of hog feed in western Canada.

During his remarks this afternoon the Minister of Agriculture emphasized that we are now sending to Great Britain twice as much bacon as we sent before the war. In the light of that statement are we justified in paying $2 an acre on the production of 2,200,000 acres in order to encourage a vast increase of hog production on that basis?

In 1940, we produced in Ontario 2,191,456 carcasses, or let us say in round figures 2,200,000; under this legislation we are providing a bonus to pay western Canada producers of hog feed $4,400,000, or $2 per carcass for as many hogs as were produced in Ontario in 1940. That represents $1 per hundred pounds. Therefore in western Canada they would receive from the treasury at least $1 a hundred on all hogs now produced in Ontario. I maintain that a proposal of that kind is absolutely unfair to the farmers of the rest of Canada, principally those of Ontario and Quebec, and also some in the maritimes; and I could not, as representing the people in the part of the province from which I come, subscribe to any such policy. It would simply mean this, that we as Canadian taxpayers would be requested to place so much money into a jackpot out of which we could hope to get no return, but the entire proceeds of which would go to hog producers in another part of the dominion who already operate at an advantage over ourselves. In that event there could be only two alternatives: either the Ontario hog producer would be forced out of production, or he would be driven further into poverty than he is at the present time.

This is not to say that I believe the incomes of farmers in any part of Canada are too large. Do not misunderstand me; none of the farmers of this country are receiving enough to maintain what is their rightful and proper standard of living under present circumstances. I know that those charged with the responsibility of devising policies to increase that income in the present disturbed conditions of the world are facing a great problem. But I go a little further. I would say that if the policy of bonusing coarse grains were enlarged and persisted in, it would challenge the very existence of this great branch of agriculture in Ontario.

I will deal with that a little more extensively from another point of view and review the figures. Take 2,200,000 acres of grain; what would be the average production per acre? How many bushels per acre would you have? The question was discussed in a meeting at which I was present the other day, and the suggestion was, fifty bushels to the acre. That may be too high or too low. Suppose, however, we take that figure. How much grain would you get from 2,200,000 acres at fifty bushels to the acre? You would get 110,000,000 bushels of grain. How many pounds of grain would that represent? We will take barley and oats together. They have fairly good grain out west, I may observe. I have fed western oats that weighed between thirty-eight and forty pounds to the bushel. Therefore, balancing barley and oats, we might say that forty pounds would be a fair average, so that on the basis of forty pounds to the bushel you would get 4,400,000,000 pounds of grain.

I inquired of the live stock branch of the Department of Agriculture to find out what they regarded as a sufficient amount of grain to produce one pound of pork. The specialist in that division said that it would take 351 pounds for 100 pounds of pork. I inquired at the experimental farm and they said between 4 and 4½ pounds to produce one pound of pork. To suggest a fairer basis, let us say that it takes five pounds of grain to produce one pound of pork. Divide that five pounds into 4,400,000,000 pounds of grain, and you have a production of 880,000,000 pounds of pork. The average hog weighs 200 pounds; that would be 4,400,000 hogs. On the basis of that number of hogs it would be $2 per carcass on every hog produced in Ontario of advantage for the western farmer. That, I think, is sufficient evidence.

Some one might say, "We are paying freight on feed to Ontario to help you to produce hogs more cheaply." Let me say this. Perhaps in some limited areas where feed is scarce that policy would bring some benefit; but if we adopted it under present conditions, with the vast surplus of grain we have in the elevators in western Canada, and if we adopted a policy of bonusing the production of larger quantities of oats and barley, following that out by paying freight to bring the feed to other parts of Canada, such a policy, if extended, would land us, so far as the hog business is concerned, exactly where we now are with regard to wheat, and there would be absolutely no method of dealing with the situation. After all, the average farmer in Ontario grows the largest percentage of his own hog feed, and he turns that into pork, carrying on in that way.

Mr. JOHNSTON (Bow River): What about the bonus he is getting for cheese?

Mr. McNEVIN: I had forgotten all about that; I am glad the hon. member mentioned it. I say to hon. members: You are suggesting giving the cheese producer perhaps two, or two and a half or even three millions, if you like; I do not care. But what I want to

point out is that the cheese producers are among the largest hog producers in Ontario. If, therefore, you carry out that policy, you would put one hand in the treasury, take out money and give it to him, and then put the other hand in his pocket and take the money out again. The question of the western farmer has been brought up, and, as I said at the outset, I have great sympathy for the western Canadian farmer. Let me add that when the Minister of Trade and Commerce brings down his wheat legislation, if he will increase the 70 cents a bushel to 75 cents—

Mr. LEADER: Eighty-five.

Mr. McNEVIN: We will discuss that suggestion later, but for the purposes of this illustration I will say 75 cents. I say, if he increases the 70 cents to 75 cents, I will rise in my place and back him up and vote for it. I say that because I think the western farmer has a problem and he must have assistance in solving it. But I do not think the solution should be to drive the farmers of Ontario and Quebec and of other parts of the dominion out of one of their strong lines of business. Most fair-minded men, I believe, will agree with me in that regard.

I may be asked, "What will the Ontario farmer do under these circumstances?" I will tell you. He will do just as he did in the last war. This nation is at war. The farmers of Ontario are as loyal as the farmers in any other part of Canada; the farmers are all loyal citizens. The farmers of Ontario, therefore, no matter what the conditions may be, will go ahead and try to the best of their ability to feed our armies at the front, the armies of our allies, and our munitions workers, and to feed all the rest of the people, they will not lie down on the job.

My time is up and I must conclude. I maintain that if we are going to include in the agricultural policy of Canada the principle of bonusing the production of hog feed in Canada, then it must not be limited to any single area in Canada. It must be made applicable universally throughout the country. It must apply in like degree to the little farmer in the maritime provinces. The other day we saw a picture showing him ploughing the ground with a pair of horses. It must apply in like degree to the farmers in Quebec, the compatriots of the Minister of Justice (Mr. Lapointe). In that province there are farmers with large hearts and larger families, and they must have a chance to live. It must apply in like degree to the farmers in Ontario, and in British Columbia where hog production is limited; and I would say to the rest of the farmers that this legislation, as it is at present, will not help in western Canada.

Mr. DOUGLAS (Weyburn): No person can discuss this $35,000,000 vote to bonus wheat acreage reduction without discussing the 1941 wheat policy announced by the government on March 12, because in the final analysis this vote of $35,000,000 is compensation to make up for what the minister himself termed this afternoon the denial to the farmer of the right to sell a certain amount of his wheat.

I want first of all to commend the Minister of Trade and Commerce (Mr. MacKinnon) for the statement he gave to the house on March 12. It was a realistic statement. It compares favourably with the statement given to the house on November 14 last by the Minister of Agriculture (Mr. Gardiner) when he spoke of a five-year programme in which we will dispose of two billion bushels of wheat and find ourselves at the end of that time fifty million bushels short of actual demand. I think the statement made by the Minister of Trade and Commerce the other day brought most of the people interested in the wheat problem down to earth. The statement was to the effect that on July 31 of this year we shall have a visible surplus of 575 million bushels; and if all the storage facilities which are planned are finally built, we shall have only 582 million bushels of storage capacity in Canada. In other words, by the time the wheat board has taken delivery of the 1940 crop, we shall be able this year to take into storage or take delivery of scarcely any of the 1941 wheat crop.

Any person who suggests to the government that this is an easy problem to solve is not fair either to himself or to the government. It is a tremendous problem, and we must all approach it with sympathy for the men who are charged with the responsibility of finding a solution. We must all realize that the government cannot continue to take unlimited quantities of wheat. We should realize that there must be restricted deliveries. We all realize that the farmer should not be encouraged to continue to increase his wheat acreage, but rather encouraged to curtail it. The farmers themselves have realized that; the different producers' organizations have made representations to the government. I need not review them; they were reviewed this afternoon by the Minister of Agriculture. Representations were made by the advisory committee to the wheat board, and are now on the record. Representations were made

to the dominion cabinet on January 27, and are now on the record. In Saskatchewan a six-point wheat policy was drawn up by the wheat pools and the United Farmers of Canada, Saskatchewan section. It finally found expression in a motion brought into the Saskatchewan legislature on February 28, moved by Hon. Mr. Patterson, premier of that province, seconded by Hon. Mr. Taggart, minister of agriculture of that province. The motion read:

That this assembly request the federal government to adopt the following policy in respect to the 1941 wheat crop:

1. That the minimum price for the 1941 wheat crop be set at 85 cents per bushel, basis No. 1 at Fort William;

2. That a processing tax of 50 cents a bushel be levied on all wheat processed for consumption in Canada, the proceeds of such tax to be added to the minimum price of 85 cents a bushel;

3. That the delivery of the 1941 crop be made on an acreage quota, such quota to be determined by the storage space available during the crop year of 1941;

4. That the government of Canada make advances to farmers for the purpose of providing funds with which to build essential farm storage;

5. That the government of Canada make provision for advances to farmers on the credit of the quota to be delivered;

6. That the government of Canada maintain and carry the wheat surplus as an essential part of its war policy.

This was finally passed unanimously by the entire Saskatchewan legislature. I do not for a moment suggest that this six-point wheat policy is all that I should like to see in a wheat policy, nor do I think it is all that a government could do in formulating a wheat policy. I suggest, however, that it is the irreducible minimum which western Canada can accept if western agriculture is not to receive irreparable damage.

It seems to me passing strange that, representations having been made by these different organizations, including the government of Saskatchewan, there should be brought down by this government a policy which scarcely resembles in the slightest detail the policies that have been suggested by producers' organizations. The best proof of that is that on March 14, Mr. H. H. Hannam, president for Ontario of the federation of agriculture, whose representation to the government was made on January 27, labeled it a two-barrel shotgun which would destroy both eastern and western agriculture. The wheat pools of the three prairie provinces on March 13 registered their strong disapproval of the wheat policy as announced.

What does this policy which the government has outlined mean? First of all, it does both the things which the Minister of Agriculture suggested it did not intend to do. It brings about compulsory wheat acreage reduction. It is all very well to say that the farmer is not compelled to reduce his acreage; but, to use the minister's own words this afternoon, the farmer is denied the right to sell, and if the farmer is denied the right to sell his product, that is the most effective kind of compulsory acreage reduction. A policy of drastic acreage reduction is entirely incompatible with the rosy and optimistic picture given by the Minister of Agriculture to this house on November 14 last.

The second thing this policy does is, it pays the farmer not to grow wheat, because it does not pay him to summer-fallow, or to grow coarse grain unless the land on which he grows it is land on which he used to grow wheat. In other words, he is being paid not to grow wheat but to do something else with his land.

As I said, we realize that curtailment is necessary, that restricted delivery is necessary. But we say that the means by which the government is seeking to attain its ends are unsound and inequitable. I propose on behalf of the group with which I am associated to outline in skeleton form the six outstanding weaknesses of the government's wheat proposals, and to suggest six alternative proposals.

Our first objection is that reduction in wheat acreage is only of value if it is done in conjunction with other wheat-growing countries. Individual reduction by Canada can only help other wheat-growing countries to our detriment. If there must be acreage reduction, there should be an attempt to have the other wheat-growing nations of the world join in a concerted effort along this line. Otherwise, if this war lasts long enough, we are simply going to push ourselves out of the wheat-growing business to the benefit of Argentina and the United States.

Our second objection is that this reduction is too drastic. While curtailment may be necessary, reduction by one-third will entail dislocation of the entire western agricultural economy. There are thousands of farmers with large investments in wheat-producing equipment which cannot overnight be adapted to other types of farming. I think every hon. member will realize that not only will there be dislocation of western agriculture but that, of necessity, there must be a dislocation of eastern agriculture. If the western farmer is to be forced to turn at least three million acres of land into the growing of coarse grains, what will happen to prices of coarse grains? Western members in this house will remember 1932, when we were selling barley

for as little as nine cents a bushel; yes, and someone says even seven cents. If prices of coarse grains drop, farmers will not sell coarse grains; they will feed them. Then next year we shall have a steady stream of hogs coming from western Canada. Previous speakers have shown already, I think, that in the last few years the hog production of Canada has trebled, and I understand that at the present moment we are shipping to Great Britain one million pounds a week over and above what is called for under our bacon agreement with the United Kingdom.

No person in this house is going to get me into a quarrel between eastern and western agriculture. I do not propose to indulge in that sort of thing. Although I represent a western constituency I, together with every other member of this house, want to look at this picture from the point of view of Canada and Canadian agricultural economy as a whole. The balance is so fine that unless we try to solve our western problems in a sane way, we may be only robbing Peter to pay Paul, without paying Paul very much at that. The drastic nature of this acreage reduction is shown by what will happen to the western agricultural income. I was surprised this afternoon to hear the minister speak of the wheat income for western Canada as being $178,000,000, I think he said.

Mr. GARDINER: That was for the calendar year.

Mr. DOUGLAS (Weyburn): Quite so. I find that according to the figures of the bureau of statistics, issued by the Department of Trade and Commerce, the total amount of wheat produced in western Canada last year was 525,000,000 bushels, valued at $283,269,000. Of course some of that wheat is kept for seed, but I notice that the Searle Grain company's estimate of the cash value of last year's wheat crop to the farmers was $260,000,000. The Searle company goes on to point out, in its bulletin of March 19, that under this proposed legislation the farmers will sell 242,000,000 bushels less than they were allowed to market last year, which will mean a decrease of $133,000,000 in their income. If we set off against that the $35,000,000 provided by this bonus, there is left a deficit of $98,000,000. But of course all that land will not go into summer-fallow. Let us assume, as the Minister of Agriculture suggested the other day, that summer-fallow will account for 6,000,000 acres and that of the remaining 3,000,000 acres, half will go to barley and half to oats.

Mr. GARDINER: Perhaps I might correct a figure which was mentioned this afternoon. There is about $87,000,000 represented in wheat which will come in between January 1 and July 31, which should be added to that figure.

Mr. DOUGLAS (Weyburn): I believe that is correct. If we assume 6,000,000 acres in summer-fallow and the other 3,000,000 acres divided between oats and barley, we have a bonus of $30,000,000 and an income of $22,000,000 from oats and barley, assuming that these prices remain where they were last year, which is doubtful. That gives a total of $52,000,000, which means that the income of western agriculture will still be $81,000,000 less than it was last year.

The minister suggested that we must plan so that the agricultural income for western Canada will not drop below $325,000,000, but the same Searle report points out that the agricultural income of western Canada last year was $408,000,000. Therefore, even if we are able to keep the agricultural income of the west at $325,000,000, there will still be $83,000,000 less in the pockets of the prairie farmers this year as compared with last year. I wish to point out that it has been estimated by the Minister of Finance (Mr. Ilsley) that this year the national income of Canada will amount to about five and a half billion dollars. If the agricultural economy of western Canada is to receive only $325,000,000 out of that total, then western Canada is faced with some of the blackest days in its history.

The third objection to this scheme is that the price of 70 cents, basis Fort William, is altogether too low. Last year in this house the Minister of Agriculture said that 70 cents was most certainly below cost of production because, as he said this afternoon, it means only about 51 or 52 cents to the farmer, perhaps only about 49 cents on an average grade. If 70 cents was too low last year, it is much too low this year; and when we take into consideration the fact that in all probability the farmers will be selling this wheat in the spring of 1942, if the cost of living continues to rise the price will be even more inadequate next year than this year. I have before me an article from the magazine Canadian Business, which is hardly likely to be biased in favour of the farmer. In the issue of March, 1941, I find this statement:

> Official records compiled in the Searle index reveal that the hourly rates of wages averaged 91 per cent higher in 1939 than in 1913-14. Thus if agriculture is to be treated the same as industry with cost of living bonuses—and the farmer sees no reason why an approximate balance should not be maintained between these two factors in regard to income and sacrifice—the current price of wheat would be $1.39 per bushel instead of around 75 cents, bacon hogs should be around $10.50 per hundred pounds instead of $8.30, and butter would be 49 cents instead of the pegged price of 37 cents a pound.

The Minister of Agriculture has pointed out frequently in this house that wheat can be produced most economically by farmers with two section farms, with high-powered machinery. They can produce more economically because they are on a mass-production basis; but if we reduce their acreage by one-third, their overhead will not be reduced proportionately, and their cost per unit will be proportionately higher. If these farmers could not produce wheat for 70 cents a bushel previously, certainly they cannot produce it now, with their overhead remaining stationary and the per-bushel cost increasing.

Our fourth objection to this policy is that, as it now stands, it will spell the doom of the small farmer, since the reduced acreage will increase the per-bushel cost; and no provision has been made in the proposed legislation for a maximum delivery on the first quarter-section.

Our fifth objection is that there is no provision for a cash advance even on the quota the farmer is to be allowed to deliver. According to the statement of the Minister of Trade and Commerce, the 1940 wheat crop will fill practically all the available storage space. The farmers are not likely to be able to sell any wheat until next spring or early summer. How are they going to finance from the time they take off their crops in September until they are able to sell next April or May? How are they to pay their harvesting operations? How are they to pay their store bills? How are they to keep their families throughout the winter? This committee should keep in mind the fact that the federal government has announced already to the provincial government that the federal contribution to relief is to be discontinued on March 31. What is the outlook for the farmers west of the great lakes? If no provision is made to help the farmer finance between the time he takes off his crop and the time he is allowed to deliver it, we shall see hardship in western Canada such as we have never seen before.

Our sixth objection is that the storage to be paid is only on that part of the farmer's crop which he is ultimately to be allowed to deliver. If he grows more than the quota, the government accepts no responsibility for assisting him in carrying that wheat. He is not to be allowed to sell it, but he is to be charged with the sole responsibility of carrying it. We believe that that wheat is an asset and that the government has some responsibility in connection with it, and ought to accept that responsibility by providing assistance for the farmers to enable them to carry that part of the wheat which they grow over and above what they are being permitted to sell.

[Mr. T. C. Douglas.]

I wish to place before this committee six proposals which we think ought to be accepted and incorporated into the government's wheat policy for the handling and marketing of the 1941 wheat crop. The first is that the initial price ought to be raised. It was suggested by the Saskatchewan legislature and by producers' organizations that the price be 85 cents per bushel, and that there be added to that 85 cents the proceeds from an increased processing levy. The other day the hon. member for Haldimand (Mr. Senn) quoted certain statistics which had been collected by the Sirois commission on agricultural income per farm up to 1937. We have worked out the figures from the same source from 1937 to the present, and we find that during the last four years the average cash income of the farms of Canada was $472 per annum. If living in kind is added and depreciation on buildings and equipment deducted, it amounts to $632 per farm unit. In the prairie provinces the average cash income was $496, and if living in kind is added it amounts to $559. It was found that Saskatchewan had the lowest average cash income from 1937 to 1940; the average income per farm unit was $102 per annum, and when living in kind was added, it amounted to $291. These figures prove beyond any possible contradiction that an initial price of 70 cents will not meet the situation when the wheat farmer is to be allowed to deliver only 65 per cent of the wheat which he was allowed to deliver last year and the year before.

Our second proposal is that there ought to be a maximum delivery for the first quarter-section, and the quota for the remainder should be on a graduated basis. We would suggest that 1,000 or 750 bushels should be accepted for the first quarter-section and a lesser amount for each succeeding quarter-section. This would take care of the very man the minister was talking about this afternoon, the man with 100 acres in wheat, who will now have only sixty acres. He is the one who is going to feel the pinch of this most. He has no way to reduce his overhead. He is the man who ought to be allowed to make a maximum delivery from the first quarter-section.

Our third suggestion is that the government should assist the farmer to build storage facilities on his farm in order to store the surplus wheat. In the final analysis the farm is where wheat should be stored. When we realize that in 1937 this government spent $18,000,000 in buying seed grain and delivering it to the drought areas of Saskatchewan, we shall realize how important it is to have at least 200,000,000 bushels of wheat

stored on the farms of western Canada. There could be no better crop insurance against future contingencies.

The fourth suggestion we make is that there should be a cash advance of 75 per cent of the initial price on the basis of the quota to be delivered. If a farmer knows how much wheat he is going to be allowed to deliver and the government is not in position to take delivery until next May, then the farmer should be able to get a cash advance in order to meet his outstanding obligations and carry on until such time as the government has the storage facilities to take delivery of the farmer's wheat.

Our fifth suggestion is that storage charges should be paid on wheat stored on the farm. We believe that the government has a responsibility to the farmers to assist them in carrying that part of their crops which they are not going to be permitted to sell. It will seem strange to a farmer if he is storing 2,000 bushels of wheat on his farm and can collect no storage, and a few miles down the road is an elevator full of wheat being stored for the federal government and drawing two-thirds of a cent per bushel per month for every month and every year it is there. It will be difficult to explain to a farmer why an elevator should draw storage charges and he should receive none for the wheat he is carrying against the time when this country and other parts of the world will need it.

The sixth proposal which we wish to place before this committee for its consideration is that the government should increase the processing levy on wheat milled in Canada for domestic purposes and that the proceeds of such levy should be used in assisting in financing the maximum deliveries which are to be made from the first quarter-sections.

A 50-cent processing tax would net the government about $25,000,000, which would enable the government to pay ten cents a bushel on the first 1,000 bushels to be delivered from each quarter-section. In other words, without any extra cost to the treasury the government would be enabled to pay 95 cents a bushel, if we add the 10 cents to the 85 cents proposed earlier, on the first 1,000 bushels delivered by the farmer.

I know the suggestion will be made by some hon. members that this will raise the price of bread, but I think the hon. member for Qu'Appelle (Mr. Perley) dealt with that quite adequately yesterday. The royal commission appointed in 1934 to study mass buying and price spreads found that there was no justification for raising the price of bread until the price of wheat went past $1.60 a bushel. All western members will remember that in 1938 the price of wheat reached $1.47 a bushel, but the price of bread did not rise. There is no reason why a 50-cent processing levy could not be placed on wheat milled for domestic consumption.

Mr. HOWDEN: How about the small farmer who bakes his own flour?

An hon. MEMBER: He should be exempted.

Mr. DOUGLAS (Weyburn): Even if he were not exempted, I would point out to the hon. member for St. Boniface (Mr. Howden) that over a period of years the price of wheat has fluctuated. When the price of wheat went down to 37 cents a bushel, the price of flour did not drop proportionately. As a matter of fact, we have in this country a milling combine which have absorbed and benefited by any drop in the price of wheat. They could afford to pay $1.35 a bushel for wheat.

Mr. HOWDEN: That would not help out the small farmer who makes his own flour, if he has to pay a processing tax on every bushel.

Mr. DOUGLAS (Weyburn): It would mean at the very most one cent on one loaf, or two or three cents a day for the average family, and the average farmer would pay that gladly if he were going to get 95 cents a bushel for the first 1,000 bushels he produced.

Mr. HOWDEN: The hon. member was talking of farmers with $100 a year. They depend on their own flour for bread.

Mr. DOUGLAS (Weyburn): They would have a great deal more than $100 a year if they got 95 cents a bushel for the first 1,000 bushels they produced.

I suggest, in closing, that it seems to me that the government is halting between two opinions. The Minister of Agriculture on November 14 assured the house, and I am inclined to agree with him, that in the normal course of events world demand will absorb the huge surplus of wheat which we are likely to accumulate during the war. On the other hand the Minister of Trade and Commerce seems to be alarmed and dismayed at this growing mountain of wheat. The government seeks to alter the agricultural economy overnight and to turn one-third of the wheat-producing lands in western Canada into the production of coarse grains or into summer-fallow, which in the final analysis will produce still more wheat.

While we realize that the expansion of wheat acreage at this time is most undesirable and that a certain amount of curtailment may be necessary, we deprecate most vigorously so drastic a reduction in wheat acreage. The prairie provinces in general, and Saskatchewan

in particular, by reason of their climate and topography, are ideally situated for the growing of wheat. Large areas of the prairies are ill suited for any other kind of farming. We still grow the finest wheat in the world, and when this war is over there will be starving millions to be fed, not only in Europe but in Asia, where a unified and victorious China may open up markets larger than any of which we have ever dreamed. We must not lose our vision at this time. We must not allow the temporary problems contingent upon the war to distort the long-term view. What guarantee have we that nature will continue to give us the great wheat crops that we have had in the past two years? A few years ago certain people of western Canada said, "If only we had a crop, all would be well." Now they say, "If only we did not have a crop, all would be well." What is 500 million bushels of wheat? Two or three complete crop failures would find the grain bins of western Canada empty again. The Saskatchewan members of this house will remember as I do a time, not very long ago, when some of the prairie farmers were burning their straw stacks, and within two years those same farmers were scouring the prairies looking for straw to keep their stock alive.

Have we forgotten the lesson of Joseph, who during the bountiful years in Egypt built vast granaries and stored huge quantities of wheat and corn? He was wise in his day and generation, and the monument to his memory is contained in those simple words, that when the famine came, "there was corn in Egypt." Let it not be said of us that we had less foresight than Joseph.

Therefore it seems to me, Mr. Chairman, that the task of this government is twofold: first, to prevent any increase in wheat acreage, and, if necessary, to encourage curtailment; and, second, in the manner in which I have outlined, to make it possible for wheat producers to get a fair price for a part of their crop and to be given assistance in carrying the remainder of their crop against that day when returning peace and the free exchange of world commodities will declare to the world once again that "wheat is king."

Mr. GARDINER: I just want to put on the record a table which will clear up some figures that have been used in connection with estimating the probable returns for western farmers. I will place on *Hansard* the figures which were used by officials who were working on this policy in its early stages.

The suggestion is that in making up the cash returns to the farmers for the present year, old wheat from the 1940 crop will be marketed to a volume of 167 million bushels, which at 52 cents makes $87,000,000, and that new wheat from the 1941 crop will be marketed to a volume of 150 million bushels, which at 52 cents a bushel makes $78,000,000, or a total, from the old wheat and the new, of $165,000,000.

The non-wheat returns would be $163,000,000. Adding together those two figures, $165,000,000 and $163,000,000, gives a total of $328,000,000.

The figure of $163,000,000, representing the non-wheat returns, is made up of $148,000,000 of actual returns for 1940, plus an increase of $15,000,000, which is the same increase that took place between 1939 and 1940.

It will be noted that the first figure of $87,000,000 includes no returns to the farmer from storage earnings on wheat grown during 1940 and delivered between January 1 and July 31 of 1941. That would account for a little more.

There may be some question whether there will be an increase of $15,000,000 in the non-wheat returns to the farmer.

Mr. DOUGLAS (Weyburn): Is it fair to add that $87,000,000 from the sale of the 1940 crop in calculating the income of 1941? Most of it is already owing.

Mr. GARDINER: The same would be true as between 1941 and 1942. This is figured for the calendar year beginning with January 1 and ending with December 31. There would be very little difference if we took the year as beginning August 1 and ending July 31.

Mr. NICHOLSON: Was the same method used in calculating the 1940 income?

Mr. GARDINER: Yes. There is only one other thing I wish to say in reply to the last few remarks of the hon. member for Weyburn (Mr. Douglas). There is no division of opinion in the government with regard to this policy. The government brings it down as a matter of government policy, with no division of opinion at all on the matter. I should not like the suggestion to go out from this committee that the government in introducing this particular policy expect that the policy as such will be changed as it passes through the house. There are some details that might be a matter for consideration as we go along, but the policy itself is one which has been unanimously accepted by the government and it is introduced into the house as the government's policy.

On the other point, as to whether there is a difference between what was stated last fall and what is stated now, that is not a matter under consideration at all in connection with this policy. This deals only with this year, and the figures which were given to the house last fall were exactly the same in relation to

the present position as the figures that are given to the house now. There has been no change. In other words, the government was in agreement last fall; they are in agreement now, and I imagine they will be in agreement when we have to consider the wheat situation two or three years hence.

Mr. PERLEY: Is this the policy, then, that the Minister of Agriculture and the Minister of Trade and Commerce proposed to the cabinet?

Mr. GARDINER: I would put it the other way around; this is the policy which the cabinet proposed—

Mr. HANSON (York-Sunbury): To you?

Mr. GARDINER: —to the country.

Mr. ROSS (Souris): Will any regulations be brought down for our discussion?

Mr. GARDINER: I stated in the house this afternoon that some provision would be made for having the regulations discussed either by a committee or by the house. Of course, if they are discussed by a committee, they will come to the house for discussion.

Mr. RICKARD: In rising to take part in this debate to-night, I am going to take a rather different attitude from that of some previous speakers, in that I intend to give this government some praise for what they have done for agriculture. I believe that the government are to be commended for the legislation which they have brought down to benefit the farmers, not only of the west but of all Canada. The name of the Minister of Agriculture (Mr. Gardiner) has been prominently before the people of late, and I believe that we have in the present minister as fine a Minister of Agriculture as Canada ever had. He knows the problems of the farmers of Canada as well as, and perhaps better than, any other man we could get. We may not all agree with what he says and what he does, but we appreciate the position which he is in to-day, and we know that, in the main, he is doing a really good job.

Since I came to the house six years ago, I have tried on several occasions to place before parliament the condition of the farmer in Canada, and perhaps more particularly the position of the farmer of Ontario. I have tried to show the difference between his costs of production and what he really receives for his product, which, after all, is the main problem as far as the farmer is concerned. It is not so important to consider what the farmer receives for his produce as what it costs him to produce it. I believe I am safe in saying that 75 per cent of the farmers of Ontario would be satisfied with the prevailing prices for their products if costs of production correspond with what they receive. But the history of agriculture shows that always in time of war when the agriculturist produces a surplus of goods, he experiences great difficulty in selling them, particularly in the early stages of the war. That was true of the last war and it is true of the present one. As the last war progressed, prices rose, perhaps to a height which they should not have reached. I hope the same thing does not happen again, because I believe it was one of the worst things that ever occurred so far as agriculture was concerned.

To-day all industrial activity in Canada continues to increase with the expansion of war demand. There is an increase of employment and of non-agricultural income. According to the Minister of Finance (Mr. Ilsley), our expenditure on the prosecution of the war for the year commencing April 1, 1941, will amount to approximately $1,460,000,000, the largest sum which was ever voted by any parliament in Canada. Included in this sum is an item of $177,928,000 for the expansion of industry, which indicates that the productive capacity of Canadian industry will be substantially increased, and therefore should lead to an enlargement of domestic demand.

Since June, 1940, the continuous rise of wholesale prices has been inevitable. All commodities have risen to some extent, and for the month of February averaged 84·6 of 1926 as compared with 82·8 the previous year. Prices of farm produce have also risen slightly but have not yet made up the loss sustained in the early part of 1940. This may be due in large measure to the low price of wheat. All live stock registered some strength in February, and should continue to show gains as the domestic demand increases.

I have here an index of living costs on the 1935-39 basis; they rose from 108·0 in the month of December to 108·3 in January, 1941, but the general index in the year from January to January was 108·3 this year, compared with 103·8 in January, 1940, showing that the cost of living increased by 5 per cent.

At the present time exportation of agricultural products is difficult because of the uncertainty in the supply of shipping. To-day the bulk of Canada's exports goes either to the United Kingdom or to the United States. We have heard a great deal of discussion of late from some hon. members of the opposition about what this government has or has not done for the relief of the farmer. I believe that the hon. member for Huron North stated last November, referring to the farmers, "We never did get a fair deal from any government, least of all from this one." The hon.

member for Haldimand, of course, brought in a want of confidence motion in the government with which motion, I wish to say, I do not agree. I believe I am safe in saying that this government since 1935 has done more for the Canadian farmer than any government since confederation. I took the trouble to look up some of the prices of farm products from 1930 to 1935, and then from 1935 to 1940. Here are the figures of the prices of bacon hogs, live weight; beef cattle, and lambs, on the Toronto market:

Year	Hogs	Beef cattle	Lambs
1930.....	$12.32	$8.79	$11.01
1931.....	7.51	6.29	8.96
1932.....	4.70	5.51	6.77
1933.....	5.54	4.63	6.92
1934.....	8.60	5.50	7.62
1935.....	8.90	6.40	7.70
1936.....	8.46	5.50	9.00
1937.....	9.00	7.60	9.60
1938.....	9.50	6.26	9.00
1939.....	8.80	6.90	9.50
1940.....	8.70	7.85	10.50

We all know that the price of cattle in 1941 on the Toronto market has been anywhere from $8.50 to $9.50 and as high as $10. In the case of lamb, prices are somewhat lower. We might go back to 1926, as some have done, and take it on the basis of 1926-29. I could give prices of cheese, milk and eggs and of many other farm products, but those three are enough to allow a comparison of prices as between 1930-35 and 1935-40. We owe a great deal to this government and particularly to the Prime Minister (Mr. Mackenzie King) for the agreement he made with the United States whereby we sell our cattle in that market. We are getting the best price for beef cattle that we have had in many years. We are selling all our surplus cattle to the United States, and I believe that up to date it has not been necessary to send any cattle to Great Britain as part of the war effort. The United States is taking all our cattle and will take more if it can get them.

We have heard the suggestion that the price of farm products should be put on the basis of 1926-29, but so far as cattle are concerned I believe we have had, in 1941, a price well above that figure. Of course, in the dairy industry, cheese constitutes one of the chief products, and we are selling to Great Britain at a price of 14·4 cents all the cheese we can produce. This government is adding another 3/5ths of a cent, making it fifteen cents, with a bonus of $2 on 94 score cheese and $1 on 93, and the province of Ontario is giving a bonus of two cents, making the cheese price in Ontario to-day nineteen cents, f.o.b. Montreal on best grade. In my opinion the producer of cheese can produce at that price. We have a contract with Great Britain for 112,000,000 pounds, and I think we should be able to supply that quantity at the price offering.

Then there is the butter situation. We have heard a good deal of discussion of price pegging, the setting of a minimum price. Perhaps the butter situation did give rise to a lot of discussion and may have started the whole story, but I do not think the government made any great mistake in setting the price. I could never see why speculators should buy 60,000,000 pounds from the farmers at twenty-one cents a pound and be allowed to sell it to the consumer at forty and forty-two cents. But that is what was taking place. I believe that if the price board would set a minimum price which would be reasonable to the farmer for the summer, the producer of butter would be much better off than if he took the market price of twenty or twenty-one cents, such as obtained last summer, and obtained forty-two cents in the winter.

Then there is the hog situation, about which there has been considerable discussion. We have an agreement with Great Britain. Someone has suggested that we should send bacon to Great Britain free. Others think that we are not getting enough and should take the price Great Britain is paying us and the government subsidize to the 1926-29 level. We have promised to supply Great Britain with 420,000,000 pounds of bacon, and since that contract was entered into, we have been producing an average of 3,000,000 pounds of bacon a week in excess of the contract. Great Britain has agreed to take 1,000,000 pounds a week more than the contract, which means that to-day we are storing in our cold storage plants 2,000,000 pounds a week. I wonder sometimes, if the price of bacon were raised to the 1926-29 level, what we would do. I imagine we would have more hogs ten times over than we could sell. History proves that the minute you make anything really profitable for the grower, you get too much of it.

A word about the apple situation. I am interested in apples, and I believe that the apple growers of Canada are more than satisfied with the assistance given them by this government. I do not think any member of the house will contradict that statement. We have sold our apples at a reasonable price because we have received protection from this government.

I come now to one of the most important items of legislation, namely, the wheat problem. Some days ago the Minister of Agriculture gave a summary of the situation.

He announced the policy with regard to wheat, whereby wheat deliveries are to be taken up to 230,000,000 bushels at a price of 70 cents, basis Fort William No. 1 northern. This will mean considerably less income for the western farmer; there is no doubt about that. But to offset the acreage being taken out of wheat, it is proposed that $4 an acre be paid for summer-fallow, $2 an acre for sowing to grass seed, and $2 an acre for coarse grain. The idea is to reduce wheat acreage by 9,000,000 acres. We in Ontario have been and still are willing to help the western farmer, and for a period of years we have paid our share of the many millions of dollars contributed towards the assistance of the west. We are still willing to do that; but we do feel that the bonusing of coarse grain, particularly bonusing, to the extent of $2 an acre, the western farmer to grow coarse grain, is going a step too far.

I am not so much opposed to summer-fallow, although I do not believe that is the right thing to do either. I think, as far as grass seeding is concerned, that is something which should be encouraged. We have broken up too much land in the west for the growing of wheat, and it would be a good idea to get it seeded back. I would be more willing to pay $4 an acre to seed down than $4 an acre for summer-fallow or $2 an acre for coarse grain. I am afraid we shall be establishing a precedent of fixing a price on coarse grains just as we have on wheat. As the hon. member for Victoria, Ontario, said, I would rather pay a little higher price for wheat, perhaps 72 or 75 cents, and stick to wheat, than bonus the growing of coarse grains to come into competition with the eastern farmers, which to my mind must happen; I cannot see anything else for it. The amount itself may not be so great but the principle of the thing seems to me absolutely wrong.

As far as this proposal is concerned I as an Ontario farmer do not feel that I can support it, especially if this coarse grain clause is left in. I hope the government will consider this seriously and for the sake of the hog producer and the grain grower in Ontario leave this clause out. If that were taken out, I believe we could explain to our people the reason why it is of advantage to bonus summer-fallow and grass seeding. We realize fully that we have too much wheat. Some land must be taken out of wheat and put into something else. We expect in 1941 a surplus of wheat of between eight and nine hundred million bushels, although the world surplus of wheat is expected to be 1,500 million bushels. Someone said wheat is a war casualty, but I do not agree with that; we had too much wheat before the war started, and if in the years from 1935 on we had had big crops, we would have had ten times more wheat than we can sell.

As I said, labour to-day has a guarantee of the scale of wages of 1926-29 plus an increase for the rise in the cost of living. I am not complaining about that, but surely what is good for one is good for another. The cost of production of the farmer has risen considerably; that is one of the reasons why I have to take this attitude. Take our farm implements; the price of a six-foot binder to-day is $240; when I started farming I bought a six-foot binder complete for $120. About three companies control the price of farm implements. It does not seem to make any difference how much the duty is reduced, the price continues to rise. The duty was 25 per cent; it was reduced to 7½ per cent, and the price went up.

Then there is the scarcity of help, especially as far as the dairy farmer is concerned. Some argue that taking men from the farms does not make any difference to the farmer, that the farming industry will remain intact. But anyone who is in the dairy business to-day depends absolutely on hired help, and if his man goes to the city and gets a job at anywhere from $100 to $125 for two weeks' work, as they have done, the industry is bound to suffer.

Over a period of years Canadian manufacturing industry has been protected by all governments, perhaps beyond what it should be. I am not a free trader; I believe in a certain amount of protection, but I believe that by protecting industry with a high tariff we are doing a great injustice to the farmers. I have noticed, since coming to this house, several hon. members of the opposition have made many pleas for the farmer, but every time protection for industry comes up they are right on the job. We must be consistent; we must be reasonable.

We have to-day in Canada what is known as the federation of agriculture. We have in organizations of one kind and another 350,000 farmers, or practically half the farmers of this dominion. We have 340 farm organizations selling to the farmer, and over 320 farm organizations that buy from the farmer. I am all in sympathy with farm organizations; farmers have a right to make their requests known to any government. Farmers have not enough representation in this House of Commons. I took the trouble the other day to go over the book and I found that there are about thirty-five farmers in the house. We have some others who are classed as farmers, gentlemen farmers; we are glad to have them; they are an asset to our industry, but of

real honest-to-goodness farmers who know what it means to do a real day's work on a farm, we have about thirty-five.

Farm organizations and federations of agriculture can do a great job for the farmers if they are reasonable in their requests. But if they are going to demand the impossible, the organizations will not be of much help. It is all very well to be critical, but we must offer something constructive if we are going to get anywhere. Representations have been made to this government by farm organizations, and as the Minister of Agriculture said their ideas in many instances have been accepted and put into effect by the government. If they continue to do this in a business-like way, I believe the farmers of this country will eventually get a better deal.

Mr. BLAIR: Like the previous speaker, I hesitate to criticize this government too much. I passed through the trying times we had under different governments, and it gives me a cold chill to think I might do anything to injure the government we have now. That resolution, and a vote of lack of confidence in this government from an hon. member who sat under the Right Hon. R. B. Bennett when we as farmers were hiring help and paying our men from pigs at three cents a pound—in fact, I sold the last batch at 2.90—from cattle at three cents a pound, while the honoured present leader of the opposition sat smiling at the pleasant times the farmers were having! I was in extreme distress at that time; I had five hundred acres; I went home in cold sweat and sold every acre of land I had and got out of it. I put my sheep, cattle and horses out on shares. I waited and I bought the land back later at half the price. I sold these farms to organizers who believed what the Conservatives were telling them about butter. They got in their cows; butter was thirty cents, and they were told by the Conservative party, "No more butter at thirty cents." And there was not until the Liberals came into power. These men came and asked me to take back the farms off their hands. I said I was sorry, but I had made other arrangements; I had other ideas.

Mr. FRASER (Northumberland): Doctor, you are a financier.

Mr. BLAIR: I have again five hundred acres, and I am going to hold them until this government is defeated. I am going to hold out; but if ever this government is defeated, I will part with that land just as quickly as I can get rid of it.

I hope the government will not pay too much attention to the far corner or to the western members. We hear a great deal of nonsense in this chamber. We have a member who comes from Qu'Appelle, who rises in his place and shadow-boxes with the Liberals on the other side. They are all planning together how to get a little bite out of the government, how to get a little donation. I have watched that go on time and again, and I have said to myself, "More shadow-boxing." Here the hon. member rises in his place and speaks as though he is opposed to this scheme, but really he is tickled to death to see the amount of money that is going to the west. But let us not give the west everything they ask. I can see the difficulty the minister has; no matter what you give them you can never satisfy them.

Mr. DOUGLAS (Weyburn): Is this Canadian unity?

Mr. BLAIR: Say, listen, down in that corner; we have people from the west appealing to the ministers to build chimneys on schoolhouses, to clean children's heads and all such nonsense as that. Now we are beginning to bonus them. This is against the fundamental principles of the Liberal party. I believe if the Right Hon. R. B. Bennett were here to-day, he would blush to see some of the things we are putting through. We have gone further than the Tories would go. We are destroying the Liberal party. We are giving away too much. We are beginning to give bonuses and subsidies, and we are finding white elephants left on our hands.

Look at the wheat problem; it is our own fault. The western farmers pleaded and pleaded, and now they have a baby elephant on their hands and do not know what to do with it. Neither does the minister know what to do with it. Now they want a bonus on coarse grains, and we have to pay the farmer for storing his grain. Why, if I were a western farmer and were paid eight cents for storing my wheat, I would build a great big barn and keep wheat for centuries. They are getting eleven per cent and more on their money, and now that you are going to give bonuses and subsidies you should cut that down. Why, if they got two or three cents, that would be plenty. I never let a tramp ask for a dinner in vain, but I never gave him a very fat dinner. Charity should be fairly well circumscribed, and when the west comes to the minister asking for donations to this and that, he should give them very little. The hon. member for Qu'Appelle and the other members from the west fight against this or that, and ask for the other thing, but they all agree when they get to their offices upstairs.

We have done so much for the west. There is the Prairie Farm Rehabilitation Act. That act was to be in force only until the farmers got on their feet again; but we find that even this year, when they have so much grain they do not know what to do with it, they still have this act. When are they going to be rehabilitated? If they are not rehabilitated now, when will they be? Then we have the Prairie Farm Assistance Act; the reestablishment of settlers; direct relief; material aid; feed and fodder; shipment of live stock, and so on, each costing millions of dollars. Saskatchewan seems to get the biggest share of the boodle, $56,772,000 altogether. Alberta gets only $7,565,000 and Manitoba only $2,438,000.

There may be something in it when they appeal to us to bonus them in the name of charity. When they cannot sell their wheat they have a right to some consideration, and I think they should get it, but I am afraid the minister will go too far if he does what he has suggested. According to the Sirois report—which is strongly condemned in Ontario but appears to be all right nationally—we find that the individual income in Prince Edward Island was $221. In Alberta it was $360, which meant that in Alberta the individual had an advantage of $139 over the individual in Prince Edward Island; and still the people of the west are asking for more. The individual in Saskatchewan had an advantage of $40, and the individual in Manitoba an advantage of $166 over the individual in Prince Edward Island; still they are asking for more. I suppose these herrings down on the coast can live for less, but in any event they are not here asking for donations.

Some hon. MEMBERS: What about Ontario?

Mr. BLAIR: I think it is a great mistake to loosen the purse-strings too much in giving these subsidies. I do not believe there is a western farmer here who will not boast that the west can run Ontario off the map in growing pigs. I could name dozens of hon. members who have made that statement. I say to them, grow your grain and feed your pigs. We will take a chance on being run off the map, but do not ask Ontario farmers to pay you to grow the grain. We do not object to meeting you on an equal basis, but I am sure our farmers will object if you ask them to pay you $2 an acre to grow coarse grains to feed pigs which you will sell in competition with those raised in Ontario. Remember, the Ontario farmer must pay a good part of that $2. I think you are overdoing it, and I hope there will be some modification, especially in connection with coarse grains. The rate for summer-fallow is too high, also. It does not take $4 an acre to summer-fallow in the west; you can do it for a good deal less than that. The people of the west are getting much more than the people of the maritimes; yet they are asking for charity. I believe they should be given a certain amount, but I hope the minister will keep that amount within strict limits so that our Ontario farmers will not object too seriously.

I must say that the minister and the government have done splendid work; I think the butter question was handled particularly well. It was all right to put a reasonable peg on the top price of butter, but I hope the minister will also put a peg on the bottom price. The distance between the floor and the ceiling is the measure of what the speculators and the packers get in profits. If the minister wants to compensate Ontario to some extent for this subsidy on coarse grains, which will mean that the farmers of Ontario will pay the farmers of the west to raise pigs in competition with them, that might be done by pegging the minimum price of butter at a reasonable level. In passing, may I say that I hope the minister will limit the amount of land on which the bonus may be paid. A man who has five or six thousand acres is not a subject of charity. If the government is to pay for storing grain in granaries there should be some limit upon the amount to be stored. If we keep a thousand bushels from one winter to the next, that is our business. We generally do it because we think it will be profitable.

Some western farmers operate farms of from five to six thousand acres. Are we going to bonus all these men? If I had a farm that size, I would summer-fallow the whole thing. There should be some limitation. I know the acreage in wheat in the previous year will guide to a certain extent the amount of bonus to be paid, but at the same time I would modify the payments. I would keep them down in order that we might appease our eastern farmers.

Mr. ROWE: The hon. member for Durham (Mr. Rickard) referred to the fact that when the tariff on farm implements was lowered, the price went up. My hon. friends will recall quite readily the time when the statements from the Liberal side were entirely different from what we are hearing to-day. The Minister of Agriculture (Mr. Gardiner) said that the members of the government were whole-heartedly in accord with this movement, and it must be alarming for him to hear two of his followers be critical of it.

I believe, however, that no one can view the agricultural situation of this country without being greatly alarmed.

For many years the agriculturist of this country has received much less than his just share of the national income. From 1926 to 1930 over 30 per cent of our people were engaged directly in agriculture. The farmer's income was only eighteen per cent of the national income, even though thirty per cent of our people were engaged in agriculture. For the last seven years over thirty per cent of our people have been engaged in agriculture, but they have received only eight per cent of the national income. The average income of 730,000 farmers of Canada has been $8 a week per family. The father, mother, and the boys and girls labour from early morning until late at night to make an income equal to the minimum price provided by statute for the office girl in the city.

Our industrialists are given cost plus ten per cent contracts. The labouring men of this country have, by statute, been guaranteed a reasonable wage. The farmer, however, is operating on a cost-minus basis. The dairyman is given a maximum price for his butter. The hon. member for Wellington North (Mr. Blair) said that he would support it if the price was put on the other end, although I believe he said he would support it anyway. He thought there should be a floor as well as a ceiling. The hog producer has been given the special privilege of producing more for less. It is not much wonder that the farmer feels that he is a "loss leader" in this new modern society in which only those who organize and demand, receive a just reward for their individual efforts. The federation of agriculture, which met in Toronto not long ago, put this pretty well in the words of Mr. Hannam when he said:

> In the seventeenth month of the war we are so sincerely worried and alarmed about the detrimental effect which the present trend of national policies is inflicting upon agriculture that we deem it our duty to so advise our people and our national leaders in the hope that adjustments may be made before the unity of our people is affected and before our war effort suffers a setback.

This problem affects a great mass of our people. It has been my privilege to observe the general tendency of agricultural development in this country over many years. I have been a member of this house for some time, and there are hon. members that have been here longer than I, but it is in no spirit of "I told you so" that I remind the committee that in 1926, 1927, and especially in 1928, I stated that we were developing a lop-sided agriculture. The hon. member from the other province nods his head. He was here at that time.

Mr. MARTIN: He said 1932.

Mr. ROWE: Nineteen thirty-two as well. But that statement had no influence upon many people. It was only a few of us from the old provinces of Quebec and Ontario who felt that way. The hon. member for Weyburn (Mr. Douglas) made an excellent speech this evening, and like him I do not for one moment want to raise an issue as between the east and the west, or refer to the advantages which the east may have and which the west has not, or which the west may have and the east has not. However, coming from Ontario, I think it is only fair to state that the old provinces of Quebec and Ontario produced more gross agricultural wealth in 1938 than all the rest of the provinces combined. This is the information contained in the year book, and I think it will be found in almost every year since that time. I make this statement with all due respect to that great granary and bread-basket, the province of Saskatchewan.

I have been impressed with the grasp which hon. members have of this problem, and I have been pleased with their reference to the need of diversification of production. I well recall having stated in this house in 1928 that we would soon find the great west filled with unsold wheat. An hon. member who then sat to my left met me afterwards in the lobby and told me that while I might know about conditions in Ontario, I knew nothing about conditions in the west. He told me they would never sell wheat for less than $1 a bushel, that they would grow wheat and wheat alone as long as they were in agriculture. I only wish to point out what I have urged before—

An hon. MEMBER: Oh, oh.

Mr. ROWE: My hon. friend laughs, but he is still of the same mind. He is a member of the same order. I would remind him of what one of his colleagues said to-night. We were told that if the duty on farm implements were reduced, we would be able to buy them cheaper, but we had to pay more. I can well recall that in 1932, as the hon. member has said, I contended, as I contend to-night, that if in an effort to find a sound solution for this problem, it was thought wise to maintain a board of grain commissioners, we should also establish a board of live stock commissioners. This is necessary if we are going to have a properly diversified agriculture. In 1932 I

urged upon the government of the day, which I was supporting, the establishment of an export marketing board which would administer the bonusing of live stock exports of a high quality and study the markets of the world.

Let me recall to the committee that in 1921 the value of our live stock production was greater than our grain production, yet we lost those markets. By 1930 we imported 40,000,000 pounds of meat and 55,000,000 pounds of butter to feed our people. Some are fearful that we are going to have too much animal fats. If the government is going to turn some of this wheat into the production of animal fats and if it is fearful there will be too much, why should they object to tariff board reference No. 99? Why not impose a tax of three cents a pound on vegetable shortening and two cents a pound on the vegetable oil content of soap? That would bring four or five million dollars into the treasury—and heaven knows it needs it—and it would mean seven or eight million dollars for the farmers of this country. This suggestion is in keeping with what I have advocated on many occasions.

We have witnessed the government going into the wheat business, and to-night we see a monument to their clumsy mismanagement of this business down through the years. We have on hand millions of bushels of wheat which we cannot sell and which we might have used in the production of other products, and now to-night the government proposes a restriction of the wheat acreage. All through the years this government has been in power we have been passing estimates for scientific research, experimental work, and other means of increasing agricultural production. In other words, we have had one arm of the Department of Agriculture spending huge sums on experiment and research to increase production, and now it is proposed at greater expense to create another arm to restrict production.

Bonuses have been considered in the past, Mr. Chairman, by hon. members to your right and by many to your left. Bonuses and subsidies have been termed vicious. I urged bonuses ten years ago to encourage the development of mixed farming products in order that we might diversify our agricultural production. Since that time we have seen the government bonus products of which there were huge unsold surpluses. Now we have this government bonusing men to do nothing, to restrict the acreage of wheat. We have now a government policy of not to grow wheat, a policy that is going to cost this country $35,000,000, after we have witnessed this government going into the wheat business, and at a cost of $100,000,000 bonusing producers and building storage capacity for unsold surpluses. If a bonus policy ever was vicious, surely it is vicious now to bonus men to do nothing when Great Britain is fighting with her back to the wall. As someone has neatly said to-night—and I thought it was a good joke—in fifteen years the boys will come back from overseas, and we can picture one of them asking his father in Canada, "What were you doing while I was fighting?" and his daddy farmer replies, "Well, son, I was summer-fallowing."

In the days to come it will be infinitely better that we should have too much of foodstuffs on hand than not enough. It is bad psychology to restrict the production of wheat at a time when the government is urging everyone else to produce. It seems to me an unwise and unsound policy, and certainly it is not doing what the government of Great Britain is urging us to do.

I shall be glad to support anything that will help the western grain growers because I realize they are faced with a serious problem, and I know the Minister of Agriculture is struggling with it desperately at the present time. He is generally recognized, I think, as one of the most skilful political pilots we have seen in this house for a long time, but may I suggest that so far as agriculture is concerned he has clumsily driven it into the most hazardous tailspin it has experienced in the last fifteen years.

Not long ago in the British House of Commons that greatest of modern statesmen, the Prime Minister, the Right Hon. Winston Churchill, said:

> We shall do our best to encourage the building up of reserves of food all over the world, so that there will always be held before the eyes of the people of Europe, including—I say this deliberately—the German and Austrian peoples, the certainty that the shattering of nazi power will bring them all immediate food, freedom and peace.

In view of that ringing challenge for our assistance in building up reserves of food, I am not surprised that the Minister of Agriculture and the Minister of Trade and Commerce should bring down this policy to restrict production as a joint measure of the two ministers, because I do not think there is a member of the government who would have the courage to bring down this fantastic proposal and father such a child alone. The policy proposed here is the very opposite of what we are being urged to do by the British government. The United States of America are going to export $450,000,000 worth of agricultural products, and yet only a short time ago they were destroying their hogs and

burning their cotton in the south. Now it is in demand for the manufacture of cordite and other explosives.

The Minister of Agriculture said this afternoon that a few years ago we had only 28 million bushels of wheat in this country. If we have another drought year, and if this war should be over in a comparatively short period, is it not better for us to build up reserves of food which will surely be required after the war is over? What is 500 million bushels of wheat distributed throughout the world?

Swiftly changing and tragic events have created new problems. To-day while we grimly face a dark and difficult future, we have faith in our strength to restore peace through victory. The restoration of the agricultural industry is vital to Canada's economic fabric, to enable us to withstand the financial obligations which the war imposes; but if we are to justify our place in the life of the empire, we must answer the call of Britain and have available large stores of food for a hungry and starving world if peace should happily come sooner than we expect. When that day comes—and we all pray to God it may be soon—when peace dawns once again and world rehabilitation stands as the next gigantic Anglo-American task, we shall surely find more opportunity to give our bonused surpluses to the poverty and hunger-stricken peoples throughout the world than to boast of higher temporary prices established by this fantastic plan to curtail production. I say this in all sincerity. I do not wish to embarrass the government, at all, not so much as some hon. members may wish to do before this issue is closed, but I do urge the government to reconsider bonusing any industry in Canada for doing nothing. I appeal to the minister to consider the matter again. I would rather spend $100,000,000 or even $200,000,000 to send foodstuffs to Great Britain than pay half that amount to men in this country to do nothing.

Why not encourage agriculture to produce more? Why not put a bonus on cheese and bacon? I may be asked: "Where would you sell it?" I reply that there are thousands of women and children crying for these products to-day, and if this war is over in two years, all the foodstuffs we can produce will be required. But this policy of restricting production, as the hon. member for Weyburn said to-night, is a long way from the policy which Joseph followed in Egypt of accumulating stores of food against the day of famine when they would be needed.

Are hon. gentlemen opposite prepared to say to Mr. Churchill, "We did not do what you asked us to do. We did not build up reserves of our No. 1 hard wheat, but, instead, we paid our farmers for doing nothing, and we are going to get their votes because we shall get higher prices for their products when they are needed so badly after the war is over."

I say again, Mr. Chairman, I shall be glad to support any policy that will really help to solve the great problem of agriculture, but I maintain that this policy will not solve it. This solution will only create another agriculture problem in eastern Canada. I have much regard for the wheat producers, and by the way I produce quite a bit myself, but wheat is not our only agricultural product. The live stock industry has produced great wealth for Canada, and you do not have to produce much live stock before you add to the richness of the soil; but when you produce wheat, you deplete the fertility of the soil. So far as cash returns are concerned, the provinces of Ontario and Quebec have, in the last ten years, produced more agricultural wealth than the rest of Canada combined.

May I remind hon. gentlemen that after the last war we shipped 77 million pounds of live stock products to Great Britain before 1921. This is a different war, it is true, but after this war the people will be just as hungry as they were after the first great war. and where are they going to find the foodstuffs they will need? I urge the minister to reconsider whether this policy of restriction of production is sound or unsound in the interests of the empire. We must win the victory, and I have never known any country to lose victory because it had too large a surplus of food.

Mr. FAIR:

Hush, wheat baby, don't you cry—
You may be kneaded by and by.

We have had quite a variety of speeches during the past weeks and months. We have discussed battleships, Bren guns, all sorts of things under the sun; and now, in order that these things may continue to be produced, we are going to discuss certain foodstuffs. Since the dinner recess the hon. member for Victoria (Mr. McNevin) has given us Ontario's side of the question. For his benefit and for the benefit of the committee, might I suggest to him that he should get his facts straight in order that he may not mislead the committee or the country.

The hon. member for Durham (Mr. Rickard) gave us a pretty good address—in spots. One thing with which I can agree is his statement that we have not enough farm representation in this house; and some of its representatives, even when they are farmers, sit still and keep their chairs warm rather than rise in their places and speak for those who sent them here.

A little later we heard that gentleman-farmer, the hon. member for Wellington North (Mr. Blair). I knew from speeches he made in the past that he was not a practical farmer. He is, apparently, one of those who have farmed the farmer. I had that suspicion; to-night he has justified it, because he told us that he sold farms at good prices and, later, on, bought them back at half price from the farmers. I only wish that he had remained in the house, because I do not like to say anything about him behind his back. I like to see men have back-bone and not be lined up with those "spineless yaps" of whom he spoke in this chamber not very long ago and who are now overseas fighting his battles, while he sits in ease, keeps his chair warm, and supports this government even though their policy does not suit him.

We are told that man is the only animal that can be skinned more than once, and I believe that the farmer must be a superman, because we find that at every move he makes he is skinned. I believe that this government have been pretty good on the skinning since they got into office, and I will try to indicate what I mean.

I am going to deal for a while with wheat, and a little later in the debate I intend to touch on other matters. I do not wish the remarks I have to make to be applied only to the farmers of western Canada. Like other hon. members who have spoken here this evening, I believe that farmers all over Canada should have consideration, and I desire fair treatment for the farmers of the maritimes and the central provinces just as strongly as I want the western farmers to have it. But because I have been sent here by western agriculture, I feel that it is my duty to place, to the best of my ability, their case before the committee.

In 1935, under the wheat board set-up, we had an initial price from the board of 87½ cents a bushel, and also received participation certificates which entitled us to any profit which accrued later on. In the fall of 1935, as we all remember, this government came into office. Knowing the fight which they had put up against the wheat board in 1935, we expected something which we got; in fact we got a little more than we expected. In 1936 the price continued at 87½ cents; but during that year, although the house had enacted legislation placing the wheat board in operation, order in council P.C. 2202 was passed, taking away from the wheat board certain rights which had been conferred upon it by law. I do not know whether that was within the powers of the government, but anyway it was done.

In 1937 the price continued at 87½ cents, but because of a scarcity of wheat very little was put through the board. The order in council to which I have referred deprived the farmer of the use of the board unless the price of wheat went below 90 cents a bushel.

In 1938 we find that farmers were getting along, perhaps, a little too well, and the government, in order to make things easier to figure, sliced off the 7½ cents, which made the initial payment 80 cents. In other words, they were getting us accustomed to what was to come a little later on.

Certain sections of certain provinces were not getting, apparently, all they should have got, and on February 16, 1939, the government's agricultural policy was outlined by the Minister of Agriculture (Mr. Gardiner). Because this has quite a lot to do with the present programme, I am going to read a part of his speech in which, I believe, hon. members will be interested. It is to be found in *Hansard* of February 16, page 1036; the Minister of Agriculture is speaking:

> May I say at this point that as far as the government is concerned we do not feel that the most important thing to be done as a government is to try to see how much wheat we can have produced in Canada. Nor do we think it is important in itself that we should try to have all the cattle produced that can possibly be produced in Canada. Nor do we feel that it is important in itself that we should have all of the dairy products or all the fruit produced in Canada that it is possible to produce. What we think is most important is to put the greatest possible number of families in comfortable circumstances upon the farm lands of this dominion. Believing that, we think that any policy for the marketing of farm products should be based upon the idea that sufficient returns should come to the individual families to make it possible for them to maintain themselves with the ordinary comforts and give proper education to their families. The objective of this government has been and will continue to be to set up as many homes as can possibly be maintained on farms in the prairie section of western Canada. We believe that to do so will assist in solving our labour problem, our railway problem and every other national problem.
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> May I enlarge on that to say that I am not at all interested in encouraging the production of wheat at thirty-five cents a bushel by putting into operation as many tractors as can possibly be operated on the farm lands of western Canada. Even if it costs forty cents a bushel or if it costs forty-five cents a bushel to grow the same amount of wheat, or a lesser amount, while other products are being produced on the same land, with five families upon, say two and a half sections of land instead of having one family and three tractors and two hired men, then I am in favour of the five families. The encouragement of the placing of more and more families upon our land rather than the production of more and more wheat from our land will assist in solving the labour problem of this country. It will assist also in solving our railway problem to have as many families as possible maintained in comfort upon these lands. It will assist in solving

every other national problem which is confronting the people of Canada at the present time. For that reason I believe that any policy which we follow should be based upon the idea that we want to put families upon the land. To that end we have already greatly extended and established on a continuing basis the attempt to reestablish farmers in the area where wheat is grown for export. That is, our whole rehabilitation programme, which will again receive consideration when our estimates for that purpose come before the house, is directed to the end that more families may be maintained in the area that has been known as the drought area during recent years.

In the putting of that policy into effect the price of wheat was reduced to 70 cents and an acreage bonus provided for. That was the 1939 programme. And the 1940 programme continues the same. Because we have succeeded in growing too much wheat, we have the new policy announced by the Minister of Trade and Commerce and the Minister of Agriculture.

Knowing agriculture as I do, having lived on the land in western Canada for a number of years, I am bound to agree with one of the ministers of the Ontario government when he said that the Minister of Agriculture has betrayed the farmer. I quote:

> Without fear of contradiction, I say Mr. Gardiner betrayed the agricultural classes of Canada and left them to work out their own problems against insurmountable odds without any assistance from the Department of Agriculture at Ottawa.

That is what the Hon. William L. Houck, minister without portfolio in the Ontario cabinet, said.

I believe we can find remarks of that kind on the part of different people throughout the country. If you go among the farming communities and in the towns or in our cities you will hear exactly the same expressions on all hands. Over in Europe the strong nations are squeezing the blood out of the weaker ones and drinking it to make them stronger so that they can conquer still more weak nations. At present in this country we find organized industry and finance, which are interlocking and apparently controlling the government and using unorganized humanity and money as commodities in order to gain their selfish ends. They can well be compared to the strong nations of Europe. I say this because the strong are encouraged to become stronger, while the weak are being suppressed in practically every move that is made.

Governments in other countries are doing something worth while for their farmers. In England, with Winston Churchill at the head, the farmers are taken care of, just as they are in the United States. In order to throw some light on that question, I might read from a part of an address given by the secretary of agriculture quite recently:

> With regard to wheat, Mr. Wallace pointed out that world prices are expected to continue low. If the wheat producers of the U.S.A. had been compelled to accept the prices obtainable abroad they would have received less than 50 cents a bushel net for the 1939 crop. Actually they received 71 cents. The difference was largely the result of United States government loans, export subsidies and acreage allotments. Yet the 71 cent average was still far below the parity price, the objective under the Agricultural Adjustment Act. The parity price for the 1939 crop was $1.13.

So far as Canada is concerned, I have the following from Searle index:

> The Searle index of the cost of things farmers buy (147 items) now stands at 143, 1913 equals 100. This means that these things cost farmers of the west at the present time 43 per cent more than did similar items of the same quality in 1913-14.
>
> The price of wheat, No. 1 northern, on March 18 on the open market prices was 14 per cent lower than it was in 1913-14. This means therefore that a bushel of wheat in western Canada now has a purchasing power of 60 per cent only in comparison with the purchasing power of a bushel of wheat in 1913-14 of 100 per cent.

A few days ago I had a letter from one of my constituents, and he gives me these local price increases in the stores. Sugar had jumped from $6 to $7.95, an increase of 33⅓ per cent. Tea had increased from 40 to 59 cents, an increase of about 50 per cent. Twine had increased from $10 to $12 a hundred, or an increase of 20 per cent. Wages were up 25 per cent; hardware was up 25 per cent; cotton clothing was up 12½ per cent; woollen clothing was up 50 to 70 per cent; lumber was up 33⅓ per cent, and taxes were up 15½ per cent.

That is how the farmer is affected when he has to buy things. But we find, further, that prices of machinery, which has a good deal to do with the production of wheat and other products, have risen. I have intentionally chosen a few of the implements used on small farms. The company from which I got these figures explained that because these implements are now obsolete and more up-to-date machinery can be purchased at a lower price, the small farmer is not relieved in any way because he is still compelled, through circumstances over which he has no control, to use the implements I am about to mention. The following are prices for the different implements indicated:

Year	2-furrow 14″ gang plough	20-marker double disc drill	8′ Gr. binder w/B.C. and T.T.
1914....	$ 92.00	$145.00	$175.00
1926....	160.00	258.00	292.00
1933....	138.00	245.00	272.00
1940....	160.50	281.50	349 50

We have discussed farm implements a good deal in this house. We had an investigation here in 1936-37, at which time the committee brought in recommendations, and the present Minister of Agriculture declared that something drastic was going to happen to the companies if they did not cut their prices. I regarded that as a threat from the government through the Minister of Agriculture, but we find that the machine companies have continued to increase their prices. Nothing has happened. The Saskatchewan legislature also had an investigation, and nothing came of that. The result is that the machine companies are still running high, wide and handsome as far as profits are concerned.

Then we hear of certain provinces paying all of the taxes. The present Minister of Trade and Commerce has, perhaps, not yet realized the amount of tariff we are paying on implements and other commodities. For his information I will give the figures in connection with the four western provinces, and I hope he will use the strong arm on his colleagues to have something done about the matter. In 1931, which seems to be the only year for which statistics are available, Manitoba paid $29,185,740, which is equivalent to $13.25 per capita; Saskatchewan paid $29,228,285, or $28.16 per capita; Alberta paid $27,909,396, or $26.93 per capita; British Columbia paid $37,737,247, or $22.33 per capita. That is a total, for the four western provinces, of $124,060,668. If we were all paying equally, it would not be so bad, but taking the central provinces, Ontario and Quebec, we find that Quebec had, not a loss, but a gain, on account of tariff, of $31,685,885, equal to $11.03 per capita. For Ontario there was a gain of $51,989,761, equal to $15.15 per capita. Surely there is something wrong there and something should be done. These two provinces gained that year $83,675,646, and I think all hon. members will remember that that year we had very low prices for grain, and therefore, very low purchasing power.

In order to illustrate something of our present system, I shall read a parable from Count Leo Tolstoi relating to the present profit system. He said:

> I see mankind as a herd of cattle inside a fence enclosure. Outside the fence are green pastures and plenty for the cattle to eat, while inside the fence there is not quite enough grass for the cattle.
>
> Consequently the cattle are trampling underfoot what little grass there is and goring each other to death in their struggle for existence.
>
> I saw the owner of the herd come to them and when he saw their pitiable condition he was filled with compassion for them and thought of all he could do to improve their condition. So he called his friends together and asked them to assist him in cutting grass from outside the fence and throwing it over the fence to the cattle. And that they called charity.
>
> Then because the calves were dying off and not growing up into serviceable cattle he arranged that they should each have a pint of milk every morning for breakfast. Because they were dying off in the cold nights he put up well-drained and beautiful sheds for the cattle. Because they were goring each other in the struggle for existence he put corks on the horns of the cattle, so that the wounds they gave each other might not be serious.
>
> Then he reserved a park in the enclosure for the old bulls and the old cows over seventy years of age.
>
> In fact he did everything he could think of to improve the condition of the cattle, and when I asked him why he did not do the obvious thing, break down the fence and let the cattle out, he answered:
>
> "If I let the cattle out I should no longer be able to milk them."

I contend that this programme of milking has gone on far too long. I contend that the policy of milking is to-day one of the great causes of war. We have been told that you cannot have a contented nation half free and half slave. At the present time a very much larger proportion than half is slave in Canada, and we find that the stronger ones are still, as I said at the start, squeezing the blood out of the weaker ones and drinking it to make them stronger and to conquer still more. It is time that stopped.

The Right Hon. Winston Churchill, speaking in London last December, had this to say:

> When the war is won, as it surely will be, it must be one of our aims to establish a state of society where the advantages and privileges which hitherto have been enjoyed by only the few shall be far more widely shared by the men and youth of the nation as a whole.

That should also apply to Canada.

Then we have another man, Jesse F. Jones, a wealthy United States gentleman who was formerly chairman of the Reconstruction Finance Corporation and is now Secretary of Commerce in the Roosevelt cabinet. He was given a complimentary dinner by friends in the ranks of big business. Their enjoyment of the occasion must have been somewhat tempered by his remarks, of which the following extracts reveal a social philosophy until now entirely foreign to the devotees of the private profit system. Mr. Jones said:

> These United States have been good to us. We have made money, we have nice homes, wear good clothes, have fine cars and can afford banquets like this one. We can look back fifty years when most of us started and chart the courses that followed. But we can't look ahead that far and see where we are going.
>
> But there are some things we know about the future. One of them is that the days of making great fortunes are over. That is finished. Another is that the upper third, you and I, have got to have a more public-minded viewpoint. We must realize that the welfare

and well-being of the lower third is our problem. We are not living in a world by ourselves. We are as much of society as the fellow on the other side of the tracks. His problems are our problems, and unless something is done about them the world we know and want to preserve won't last long.

I would ask the government to take serious notice of that. He continued:

We businessmen can't afford to be blind or obstructive or stupid. You can't turn the clock back. Remember that.

We have been waiting quite a long time for an announcement of farm policy for 1941. I should like to have had a good deal more time to go into that in detail. But that is not possible now. We find, however, that some other parties did not have to wait so long. The government had a serious storage problem on its hands and apparently went to Winnipeg to get some advice and assistance. We find that on February 19, order in council P.C. 1225 was passed whereby provision was made for certain storage to be erected; fifty million bushels of temporary storage was arranged for. This particular part of the order in council which I shall read perhaps had quite a little to do with it:

Now, therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Trade and Commerce, concurred in by the subcommittee of the cabinet aforesaid, under the authority of the War Measures Act and notwithstanding anything contained in the Canada Grain Act, is pleased to order and doth hereby order that in the case of elevator companies entering into the agreements hereinafter referred to for the construction of temporary terminal storage facilities as aforesaid, no reduction shall be made before the 31st day of July 1943 in the prevailing tariff charges now authorized to be made by elevator companies for the elevation, storage and handling of grain by terminal or country elevators.

His excellency in council, on the same recommendation, under the authority above cited, and notwithstanding anything contained in the Income War Tax Act, is further pleased to order and doth hereby order that the allowance on account of depreciation for income tax purposes to be made by the Minister of National Revenue in case of any elevator operating company which constructs temporary terminal storage facilities as aforesaid, in respect of such facilities, shall be fifty per centum (50 per cent) of the cost thereof in the company's fiscal year ending in the year 1942 and fifty per centum (50 per cent) in the company's fiscal year ending in the year 1943, provided that where the fiscal year of any of the companies ends with the calendar year the Minister of National Revenue may give special directions as to the period of the write-off, provided, however, that no depreciation shall be allowed on account of these temporary terminal storage facilities in respect of any subsequent year and provided further that the Minister of National Revenue shall hereafter allow elevator operating companies constructing temporary terminal storage facilities as herein provided, to make deductions on account of depreciation for income tax purposes in the case of their present permanent terminal storage facilities at the same rate or rates as shall be applied by the Minister of National Revenue in the case of permanent terminal facilities hereafter constructed, and further that if at any later time the said the Minister of National Revenue permits the cost of temporary terminal storage facilities otherwise constructed to be written off on a more favourable basis, the same permission will be extended to each of the said companies.

[Mr. Fair.]

I realize, of course, that it is necessary to construct temporary storage, but I think it is well understood that the entire cost of construction can be paid by one year's storage charges, which amount to eight cents a bushel. I am quite sure that the policies advocated by the government guarantee that these facilities will be kept filled, and that the companies will receive storage right along I do not see why similar treatment is not given the farmers. I understand that to-day labour is being paid wages similar to those paid during the period from 1926 to 1929, and that if the cost of living goes up very quickly, a bonus is guaranteed as well. Industry is taken care of in a similar manner. In August, 1939, in spite of legislation passed by this parliament, an order in council was passed removing the profit limitation, and now these industries are living in what might be termed clover. But what do we find in connection with agriculture? The average price of No. 1 northern wheat at Fort William from 1926 to 1929 was as follows:

1926	$1.46·3
1927	1.46·3
1928	1.24·0
1929	1.24·0

The average price during those four years was $1.35 a bushel. Then we find that next year, "in order to keep small farmers on the land" the government is going to pay 70 cents a bushel on approximately 65 per cent of last year's yield. Perhaps this is one of the best ways that could be found to chase these people off the land and create another relief problem greater than any we have had in years gone by.

Coming back to the question of the price of wheat, we find that over a period of some sixty-four years the average price of No. 1 northern wheat at Fort William was $1.17. In spite of that fact it was found necessary to pass legislation setting up boards under the Farmers' Creditors Arrangement Act in order to reduce the farmers' debts. I believe those boards will have to do their work all over again, because under present conditions the farmers simply cannot pay their debts, I care not how honest they may be. In addition, we find poverty and malnutrition on the farms and in the towns depending on the farms. We find that millions of dollars have been paid in relief; that the health of

the nation has been broken, and that, according to the figures given by the Minister of National Defence for Air (Mr. Power), only one out of six of our young men is healthy enough or sufficiently well educated to enter the air force. These things should make us think, and thinking is not enough; we should do something about them.

To-night we were told that the west received a great deal of help from the east. Perhaps the east does not know that on the 1940 wheat crop alone the farmers of western Canada have sustained a loss of approximately $250,000,000 based upon that average figure of $1.17 for No. 1 northern wheat at Fort William. To-day the very best wheat that can be grown in the world is being delivered at 70 cents a bushel at Fort William. Then it seems that prices paid for our hogs, cattle, poultry and so on are based upon the price of grain. I almost said the cost of grain, but apparently the cost is not taken into consideration.

We from the west are not asking for charity. We have a living coming to us. We are producing the food of the nation, and food which we believe will be needed later on in Europe. We are content to go on producing it, but we believe that some of the present inequalities must be wiped out. We feel that we must have a square deal, but it should not be called charity or a hand-out; we do not want that. We want treatment similar to that given the rest of Canada, and the day is coming when we shall have that treatment.

Mr. Chairman, I suggest that it is eleven o'clock.

The CHAIRMAN: Shall the item carry?

Mr. NICHOLSON: Before you call it eleven o'clock, Mr. Chairman, would the minister clear up the statement he made a few minutes ago with regard to the income from wheat this year? I understood that he included about 25 per cent of the income from the 1940 crop. I wonder whether he included the entire income from the 1941 crop.

Mr. GARDINER: No. I took the bushelage which the officials of the department estimated was still in the hands of the farmers and which would come out between January 1 and July 31, together with the amount they estimated would come from this year's crop between August 1 and December 31, which figure they set at 150,000,000 bushels.

Mr. NICHOLSON: I thought this afternoon the income was estimated at $115,000,000.

Mr GARDINER: That was from 230,000,000 bushels of wheat, at the price mentioned.

Progress reported.

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

Friday, March 28, 1941.

The house met at three o'clock.

UNEMPLOYMENT RELIEF

DISCONTINUANCE OF DOMINION CONTRIBUTIONS—NORTHERN SASKATCHEWAN SETTLERS

On the orders of the day:

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, I had intended to ask a question of the Minister of Labour, but in his absence perhaps the Minister of Agriculture might answer.

In view of the fact that dominion contributions for relief to the provinces are being discontinued on March 31, what responsibility will the federal government take for supplying food to the northern settlers in Saskatchewan who are being reestablished under a joint dominion-provincial arrangement, in the event that the province cannot care for these settlers? What announcement, if any, has been made by the Saskatchewan government in connection with supplying relief after March 31?

Hon. J. G. GARDINER (Minister of Agriculture): In the absence of the Minister of Labour I have been asked by him to reply as follows:—

It has always been the responsibility of the provincial or local authorities, acting under provincial regulation, to determine to whom, to what extent and under what conditions assistance is granted. The dominion responsibility was largely that of assisting the provinces financially. It is assumed that the provincial authorities will arrange to take care of those in need after March 31 without dominion assistance. I have no information as to the intention of the Saskatchewan government.

DECENNIAL CENSUS

INQUIRY AS TO APPOINTMENT OF COMMISSIONER FOR PARKDALE

On the orders of the day:

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Yesterday the hon. member for Parkdale (Mr. Bruce) suggested that I lay on the table of the house the letter

to which I referred as having been received from him in connection with taking the census, and I do so now.

Some hon. MEMBERS: Read it.

Mr. MacKINNON (Edmonton West): It reads:

522 University Avenue,
Toronto, January 24, 1941.

The Hon. James A. MacKinnon,
Minister of Trade and Commerce,
Ottawa, Ontario.

Dear Mr. MacKinnon,—

I am informed that you have appointed Mr. Travers, my opponent in the last election, as chief census officer for Parkdale.

When the national registration was taken you will recollect that the members were asked to nominate the registrar for their ridings and after I nominated the president of my association, Mr. Wm. McKeown, I asked him to appoint Mr. Travers as assistant registrar and also to give Mr. Travers the opportunity of naming fifty per cent of those to be employed on this work.

Would it not be fair, therefore, to ask Mr. Travers, the chief census officer, to appoint Mr. McKeown as his assistant and to allow the latter to designate fifty per cent of those who will be engaged in this work?

Some hon. MEMBERS: Oh, oh!

Mr. MacNICOL: That is fair.

Mr. HANSON (York-Sunbury): There is nothing wrong with that; it is reciprocity.

SUPPLY

The house in committee of supply, Mr. Vien in the chair.

DEPARTMENT OF AGRICULTURE

422. Special. To provide for payments on reductions in wheat acreages, under conditions prescribed by the governor in council, for administration expenses in connection therewith, and for temporary appointments that may be required notwithstanding anything contained in the Civil Service Act, $35,000,000.

Mr. HANSON (York-Sunbury): Mr. Chairman, I made a few remarks yesterday concerning the matter of procedure with respect to this item. I do not propose to repeat anything I said then. In my remarks to-day I shall review the criticisms of the government's proposals, and I hope to make a few constructive suggestions.

The wheat problem is not of recent origin; indeed it goes back to the years succeeding the last war, when the wheat-importing nations of Europe adopted the policy of attempting to become self-supporting communities.

If you will examine the record you will find that beginning with the year 1922, and in succeeding years down to at least 1934, the importing European countries, such as Germany and France, began by a succession of tariff increases, quota systems and other limitations, to cut down their imports of wheat until finally some of them, notably France, actually became exporters of wheat.

What was the reason for this? Frankly I think it was that they were afraid of war. They were afraid of the difficulties of transportation in time of war, but over and above all these reasons they were afraid of the price they had to pay for wheat during the great war. They determined that never again would they pay ransom to America for their bread.

Upon whom did this policy fall most heavily? Without doubt upon Canada, the United States and the Argentine, and upon Canada most of all. What did Canada do? Did she take cognizance of the growth of economic nationalism in Europe with respect to wheat? She did not—most emphatically she did not. During the time the right hon. gentleman and his party were in power and in control of government policy, this country increased its wheat acreage from 18 million acres in 1921 to over 25 million acres in 1930. Production in terms of bushels grew from 300 million bushels in 1921 to 479 million bushels in 1927, to 566 million bushels in 1929 and to 420 million bushels in 1930. In terms of dollars and cents the value of exports of wheat and wheat flour for the crop year 1925-26—the first year for which the figures have been made available to me—was $475 million, but in 1930-31 this had fallen to $188 million.

May I pause here to say that the problem first became acute at about this time, early in 1930. I really have never been able to make up my mind whether the then government, the then minister of agriculture, the then minister of finance, were aware of the situation rapidly coming to a head. But the evidence is that the government of my right hon. friend had not at the beginning of 1930 the slightest appreciation or understanding of the wheat problem then rapidly approaching. On February 20, 1930, the right hon. gentleman put these words into the mouth of his excellency in the speech from the throne:

> The dominion is already recovering from the seasonal slackness evident at the end of the year and it is not to be forgotten that the bulk of the 1929 wheat crop still remains in Canadian hands for final disposition.

Mr. Chairman, mark well that sentence! We, in common with the rest of the world, were then in the fourth month of the greatest economic depression the world had ever seen, and the right hon. gentleman called it a "seasonal slackness"! What vision! How characteristic of him! Trying the old game of lulling the Canadian people into a sense of false security. And then how naive the

statement that "the bulk of the 1929 wheat crop still remains in Canadian hands for final disposition"!

That was the position with respect to wheat which the Bennett government inherited in 1930. The crop of 1929 still remained unsold in the hands of the farmers. The problem continued down through the years to 1935, and then the Bennett government had to take over the whole burden and establish a new policy.

In the meantime marketing prices went from bad to worse. Wheat went down in price in 1933 on the world's markets to the lowest price in 400 years. The selling agency of the pools had called in John I. McFarland in 1930 to take over the problem. The government in the course of time had to put the credit of the country behind the agency, and it did so. This action carried the situation through to 1935, and no matter what the criticism was, the fact is that the operations of John I. McFarland never cost Canada one cent. On the contrary in the final accounting the McFarland operations resulted in a substantial profit to the treasury, and it should have been far more than it was.

I want to pause here to pay a tribute to Mr. McFarland. He was not employed by the government. He was employed by the pools, and he undertook, without salary, to serve Canada, and particularly western Canada, to the best of his ability—an ability, I believe, without a peer in that particular field. He gave himself so unremittingly to the task that I believe his health was permanently impaired. But what he did, he did for Canada, and I am sure the farmers of western Canada, irrespective of party politics, respect him and look upon him to-day as one of the greatest friends western agriculture ever had.

Then in the session of 1935 the government took, in the face of the sternest opposition from gentlemen opposite and from the trade, the only possible constructive position that was open to it. It decided on the establishment of the wheat board.

Hon. gentlemen who are interested in the position at that time may read with a good deal of profit Mr. Bennett's speech on the second reading of the bill on June 12, 1935, in which he traced the history of the production and sale of wheat in the whole world and its relation to Canada, and in which he made a most reasoned argument in support of the measure.

The terms of the 1935 bill were simple. It provided for the marketing of Canada's wheat crop through a government board, not through private enterprise. Why? In the circumstances private enterprise had failed, and it has failed ever since. That was the fundamental reason. Nobody wanted to put the government into the wheat business, but because there was no other method, no other agency that would function, the wheat board was established. Another reason was that a wheat board would ensure against the destruction of that measure of economic stability which had been built up in the most trying years of the history of wheat production in Canada. The bill was offered on the further theory that Canada had an obligation not only to herself, as the chief exporter and the third greatest producer of wheat, but also to the other wheat exporting countries, to give such help and assistance as we were able, to prevent wheat from being sold at prices ruinous to the producers. Generally speaking, these were the principles upon which that legislation was based.

The advent of another great world war has accentuated the position. It has not changed, except in degree, the underlying position.

May I pause here now to examine the position of hon. gentlemen opposite, who were then sitting on this side. I well remember it. They were hostile to the principle. Who was their spokesman? He was the same gentleman who is now Minister of National Defence (Mr. Ralston). At page 3581 of *Hansard* of 1935 he made this statement:

> I do not believe that the people of the Dominion of Canada are favourable to a compulsory wheat board—

Well, we have it; we have it to-day.

> —to a board the constitution of which will mean that every wheat grower, every elevator man and everybody engaged in the business must deal with the government agency and no one else.

That was the attitude of my hon. friend in 1935. But while he gave expression to that view, he did not venture to challenge the measure. He was afraid to strike. Discretion was the better part of valour with him and his colleagues. He left us with the impression that while he would like to kill the bill he dared not do so. No wonder that at the conclusion of his speech one hon. gentleman asked him if he was for or against the bill. No one knew.

The board was set up in 1935. The election came. The Bennett government was defeated. The members of the board were dismissed and new men were appointed in their place. Was the personnel improved? That is a question which I leave to the people of Canada to answer. The essential point is that the principle of government control of the wheat business was maintained, and for definite and good reasons.

I shall not follow the operations of the board from 1935 down to 1938, but I do assert that the marketing of the 1938 crop gave the Canadian Wheat Board Act its first real chance to function. Canada faced the crop year 1938-39 with empty granaries. The world carryover was 40 per cent below the previous five-year average. Early in that crop year, in August, 1938, cash wheat was around 85 cents at Winnipeg and October futures, 75 cents. That year the world acreage sown to wheat was exceptionally large and a heavy crop resulted.

The exporting countries had available for export around 1,200,000,000 bushels, including the small carryover, and we in Canada had available for export approximately 50 per cent of the needs of the importing countries, including Britain. This was not an inviting marketing condition; on the contrary, it was a most uninviting condition.

The initial price of No. 1 northern was fixed at 80 cents by the federal cabinet under the authority of the Canadian Wheat Board Act, and this formed the basis for fixed prices for other grades of wheat. This minimum price was accepted by the cabinet upon the recommendation of the wheat board. The price was announced by the Prime Minister on the evening of August 4, 1938, and on that occasion he made the following general statement:

> The policy of the Canadian wheat board will not be to hoard wheat, nor to speculate upon it, nor to seek to establish a monopoly. Canadian wheat will be moved promptly to market.

The announcement went on to state that the minimum price had been accepted by the cabinet upon the recommendation of the Canadian wheat board, and therefore both the cabinet and the wheat board were responsible for the position.

It was evident from the Prime Minister's remarks that the fixing of the 80-cent price was a form of compensating adjustment for the western farmer, who had suffered greatly in recent years because of drought and crop failures. At the same time, the Prime Minister released an announcement from the Hon. W. D. Euler, then Minister of Trade and Commerce, to the effect that Canadian wheat would be competing in world markets; and the milling and grain trades of the world were advised that, notwithstanding the internal initial price of 80 cents a bushel, the Canadian wheat board would continue its work of encouraging the use of Canadian wheat—and now, Mr. Chairman, mark these words—"which will at all times be competitive on the world's markets."

[Mr. R. B. Hanson.]

Then things began to happen. There were immediate reactions to the statement of the Prime Minister and the announcement of the Minister of Trade and Commerce. In the United States it was announced that 100 million bushels would be dumped on the world's markets. The Argentine gave its president discretionary powers to fix a margin between domestic and export prices. Australia and other exporting countries acted in response; and all the importing countries except Britain tightened up restrictions, some to the point of exclusion.

Now mark this! In less than one month after Canada's official announcement of the price was made and after the announcement attributed to the Minister of Trade and Commerce that, notwithstanding the initial price of 80 cents a bushel, Canadian wheat would be competing in world markets and that the wheat board would continue its work of encouraging the use of Canadian wheat, which would at all times be competitive on the world markets, the cash prices and price of futures at Winnipeg went down to below 60 cents a bushel.

The government's announcement resulted in severe damage to Canadian wheat prices. There was an immediate cash loss of $52,000,000 to the treasury. That $52,000,000 was a contribution which had been advanced by the treasury to the wheat board. An ultimate total deficit of $61,282,329.55 on the wheat crop of 1938-39 resulted. There is no question about this ultimate loss. It is admitted in exhibit B attached to the Canadian wheat board report of the crop year 1939-40, dated January 11, 1941, which recently came into our hands.

These are the facts. These results are not to be dismissed as a mere error of judgment. They are the natural result flowing from the policy announced by the government that Canadian wheat would at all times be competitive on the world markets. The fixing of the minimum price at 80 cents was government policy, not a mere leap in the dark; the fall in price in the world markets was a direct result of the announcement of the then Minister of Trade and Commerce. It meant that, while the price had been fixed at 80 cents, yet the wheat would be sold at world prices, to whatever level they might fall. What a situation in a buyers' market!

This considered policy of the government is not to be regarded as a mere error of judgment, or ineptitude in the transaction of public business. The invitation was made to world buyers not to take the 80-cent price as a minimum; it was an invitation to world buyers, in a buyers' market, to hammer the

price downward, and this invitation was accepted with alacrity and with the results already noted.

As a result of the fall in prices invited by this government, the wheat board failed to sell the 1938-39 crop, and the failure to sell that crop was the primary cause of the debacle in the wheat situation in Canada—not the declaration of war in September, 1939.

It has been said by a cynic that, "as wheat marketers, governments and parliaments have more money than brains, and they are poor substitutes for private trading." Be that as it may, the government and the wheat board proceeded on the theory of a double market, that is to say, government regimentation on the one hand and competitive marketing on the other, at a time when the world wheat market was a buyers' market. That theory was a defiance of the law of supply and demand and of the principles of mathematics.

Notwithstanding the tremendous loss to the treasury of Canada which ensued from this policy, one lesson ought to have emerged, and that is—and I state this very plainly and succinctly—that the treasury of Canada cannot be placed behind unlimited production of wheat. To do so is to invite disaster for all concerned.

After this debacle of 1938-39 came the war. It served to intensify the problem.

Last year, 1940, we had not a policy but an improvisation—the quota system of deliveries —and the levy of the processing tax on domestic consumption. The quota system has probably worked out better than was anticipated, because the quota was enlarged. One thing, however, has emerged. It has transferred to the Canadian people the ownership of the greatest volume of wheat in the history of the country, involving an investment in unsaleable wheat of between $400 and $500 millions, at a time when the Canadian people are being asked to raise, by way of taxation and loan, a sum which will fall not far short of $3,000 million. What a staggering load for twelve million people!

Early in the present session of parliament, on November 14 last, to be exact, the Minister of Agriculture, following his return from Britain, made a speech in this house by way of a report on his visit, in which speech he dealt with wheat and during the course of which he did some prophesying—a very dangerous procedure. If his prophecy was correct, then there is no cause for agony or alarm on the part of either the producers or the taxpayers. If he was right, there is nothing to worry about.

Mr. GARDINER: Five years is a long time.

Mr. HANSON (York-Sunbury): I know it is, but to prophesy is dangerous, especially with a world war on. The minister will pardon me and many others in this country, including many who know much more about the wheat business than I do, if we take his forecast with a large measure of reserve.

The minister in his statement, as reported at page 101 of *Hansard*, said, as to the demand side, based on a two-year blockade, that Canada expected to dispose of 160 million bushels annually to Britain and to raise consumption in Canada from 130 to 160 million bushels. So in two years we should dispose of 640 million bushels at home and to the United Kingdom.

Still on the demand side he prophesied that in addition, after the suggested two-year blockade, it would be possible to dispose of 160 million bushels to countries now blockaded, or 480 million bushels in three years to those countries.

Over the five-year period he predicted that we should dispose of the following amounts:

	Million bushels
1. To the United Kingdom, 5 years at 160 million	800
2. By internal consumption, 5 years at 160 million	800
3. To countries now under blockade, 3 years at 160 million	480
	2,080

On the supply side, we in Canada will produce, he said or prophesied, an average of 380 million bushels, or a total, for the five years, of 1,900 million bushels. To this he added the carryover from 1940-41 and previous years of 280 million bushels, making a total of 2,180 million bushels to be disposed of in the five-year period, which would leave a carryover of only 100 million bushels.

Mr. SLAGHT: Does the hon. gentleman say it cannot be done?

Mr. HANSON (York-Sunbury): As I said before, I take it with great reserve.

Mr. GARDINER: You will be prophesying too.

Mr. HANSON (York-Sunbury): If everyone in Europe buys wheat it can be done, but are the Canadian people to be lulled to sleep by a theory like that with the world at war and this country not able to move wheat?

Mr. SLAGHT: Does the hon. gentleman say it cannot be done?

Mr. HANSON (York-Sunbury): I do not know, neither does the hon. member for Parry Sound.

Mr. SLAGHT: Have a little faith.

Mr. HANSON (York-Sunbury): Faith without works is not much good. Not only that, but the minister visualized the sale of 30 million bushels yearly to those countries outside the blockaded areas, or a total of 150 million bushels; and presto chango! with the celerity of a sleight-of-hand artist, our surpluses are gone and we are actually short of wheat. Houdini had nothing on our Minister of Agriculture.

Mr. TUCKER: It may happen, notwithstanding.

Mr. HANSON (York-Sunbury): It may, but who is to say? That is high-powered propaganda to sustain the Canadian people. It is not realistic.

Mr. GARDINER: By this policy we are helping to make it realistic.

Mr. HANSON (York-Sunbury): I suggest that this is not the kind of stuff that the Canadian people should be fed with by a responsible minister of the crown. I do not think anyone will be deceived by it, least of all the producers. Certainly it will not deceive the taxpayers of Canada. It is on a par with the propaganda we heard all last summer and autumn with regard to Canada's war effort, which propaganda happily is to be abandoned, so at least says my hon. friend the Minister of Munitions and Supply. He said he was not going to make any more prophecies, which I think is wise.

The Minister of Agriculture even ventured into the field of finance. He told us his plan would mean that the government would require to foot a total of $620,000,000. I suggest to him—it is a matter of opinion—that he is not very realistic. In less than a year we are involved to the tune of $400 million or more invested in wheat. We have not the amount that must be added in respect of bank loans and carrying charges, but we are being invited to go much further in the bonusing programme, in wheat storage, in subsidies under the two-year depreciation plan, and in the actual investment in wheat. If this goes on the Canadian people with respect to wheat may well visualize through treasury commitments, interest, carrying charges, loss of income taxation through the depreciation allowance and so on, a total of well up to a billion dollars. It may actually come to that. My guess is as good as the minister's.

Mr. GARDINER: Not in two years.

Mr. HANSON (York-Sunbury): I did not say so; at the end of the period. I did not limit it to two years.

[Mr. R. B. Hanson.]

Mr. TUCKER: Do you suggest that this will be the loss?

Mr. HANSON (York-Sunbury): No, I do not say it will be all lost, but I suggest it is too much to ask the Canadian treasury to provide at a time when we are being asked to put up 3,000 million dollars to carry on our war effort.

Mr. TUCKER: So you are against it?

Mr. HANSON (York-Sunbury): I am against going the whole length. We must limit the amount of wheat we take. I have not tried to disguise that fact.

It may be of some interest to the Canadian people to know our cash position with respect to the operations of this government in wheat since 1930. I have a table here which I think will show accurately the net amount that has been paid out by the treasury on account of government wheat operations over the ten year period ending July 31, 1940, as follows:

1930 wheat crop equalization payments	$ 6,521,175 89
Total payments under five-cent bonus, 1931-32 crop	12,719,900 73
Board of Grain Commissioners administrative expenses in connection with five-cent bonus	186,509 82
Loss on Canadian Wheat Board operations, 1935 crop	11,858,104 18
Loss on Canadian Wheat Board operations, 1936 crop	49,574 88
Loss on Canadian Wheat Board operations, 1938 crop as at July 31, 1940	61,282,329 55
Loss on Canadian Wheat Board operations, 1939 crop as at July 31, 1940	6,119,656 78
Total payments	$98,737,251 83

The figure of $6,119,656.78 represents the loss which the wheat board would have sustained on July 31, 1940, had all the 1939 wheat crop then held been marketed on that day at the then prevailing market price. However, most of this wheat, that is, the 1939-40 wheat crop, is still held.

Against this in all fairness there should be set off, as I think the wheat board has done, the net profit as of July 31, 1938, on wheat taken over by the wheat board from Canadian Cooperative Wheat Producers Limited, as of December 2, 1935, amounting to $8,953,343.07. That figure should have been $15,000,000 if the wheat had not been dumped on the markets of the world.

Mr. GARDINER: We still have most of the wheat.

Mr. HANSON (York-Sunbury): Not that wheat; it was all gone long ago.

Mr. GARDINER: But it is all put into one.

Mr. HANSON (York-Sunbury): Oh, that is all right. The minister can wave his hands,

but the McFarland operations yielded this country a profit, and that profit should have been twice what it finally turned out to be.

Mr. GARDINER: After Mr. Murray sold the wheat there was a profit.

Mr. HANSON (York-Sunbury): Yes, he had a fire sale.

Mr. GARDINER: McFarland had a loss of $50,000,000 on the basis suggested by my hon. friend.

Mr. HANSON (York-Sunbury): Well, it did not turn out that way, and the proof of the pudding is in the eating.

Mr. GARDINER: It was called a fire sale afterwards.

Mr. HANSON (York-Sunbury): The minister can make all the speeches he likes later on. At the moment I have the floor, and I would ask him not to intervene unless it is to ask questions. I know he has a habit of doing that when others are speaking, and I would ask him to be good enough to contain himself.

Mr. GARDINER: If the hon. gentleman will not speak at me I will not answer him.

Mr. HANSON (York-Sunbury): That is a very disarming statement.

The CHAIRMAN: It is a well known rule of the house that when an hon. gentleman has the floor no one can interrupt him without his leave; but this rule has been honoured more in the breach than in the observance, and a good deal of latitude has been given by the Chair even to the present speaker. I would point out, however, that this may once more exemplify the desirability of always observing the rule, and perhaps the leader of the opposition, who now has the floor and who has experienced what interruptions by other speakers mean, will give an example to the whole house. My task in the committee of the whole has been difficult. I have tried to apply the rules, but in a human way, allowing some latitude. I shall continue to do so, but I would observe to all hon. members that it is best to follow the rules at all times, because they are based upon experience and wisdom.

Mr. HANSON (York-Sunbury): Thank you very much, Mr. Chairman. I have no great objection to interruptions. What I really do object to is the chatter that of course is intended to throw one off one's train of thought. I do not think that is quite cricket. The minister says he cannot help interrupting me because I am looking at him. That is the most natural thing in the world; he is directly in front of me, and in a measure I am really talking to him as well as to the government. However, this little interlude will do no harm to any of us.

Now I turn to another topic. The government's policy for the current year was announced on March 12 by the Minister of Trade and Commerce and the Minister of Agriculture, after many delays and much hesitation, and I think I am safe in saying that it does not please anyone. However, it is just another improvised policy, not intended to be permanent, for which I think most of us are grateful.

I rather compliment the Minister of Trade and Commerce on having made a factual statement comparatively free from propaganda and containing a good deal of information. He dealt with the quota system, the plan of payment for farm storage, deliveries, disposition of the carryover, the storage situation and allied questions.

With respect to the crop situation for 1941-42 he gave us an authoritative statement that the carryover will amount to 575 million bushels. Then he added a prophecy based on an average of say 425,000,000 bushels for the new crop, which would produce a total of 1,000 million bushels. I suggest that this is a supply never before reached in the history of Canada, or even contemplated. It is a situation calculated to make the bravest among us pause and reflect. It is a supply away beyond the storage capacity of this country.

In addition to this, hon. gentlemen must visualize a further difficulty, namely, the carryover of 400 million bushels in the United States. In the present world position that is a factor we cannot leave out of consideration. On the basis of expectation only, we are to consume in Canada for domestic and other purposes 127 million bushels, and we may export 180 million, or a total expected disappearance of 307 million bushels. I suggest that this outlook is optimistic; it is not likely to be reached, though it may be. Therefore we will have a carryover of more than 700,000,000 bushels, an all-time high.

The Minister of Trade and Commerce stressed lightly the financial position, though he admitted that it called for anxiety. A loss of $67,000,000 on 1938-39 and 1939-40 operations is a staggering sum, but as I pointed out before this figure does not include interest on bank balances on the 1938 crop, or carrying charges on the 1939 crop since July 31 last, both of which must be substantial and should have been included to get a correct appreciation of the position.

The government will own 575,000,000 bushels of wheat on July 31 next, with an investment of between 400 and 500 millions of dollars.

What are the minister's proposals?

1. To take action to ensure that the visible supply shall not increase:

(a) By limiting the amount for which deliveries will be taken and payment made to 230 million bushels, or an estimated two-thirds of a normal crop;

(b) The quota system will be maintained, but based on 65 per cent of the 1940 acreage;

(c) The price will be continued at 70 cents. I do not know why it is called an initial price, because, under present conditions, it is the only price. Theoretically it may be the initial price, but everyone realizes there will be no further distribution.

Then we have these further proposals:

(d) Producers will be paid storage on the same basis as last year, but only on the undelivered portion of the 230 million bushels, and—

(e) The processing tax remains unchanged.

Coupled with that is the statement of the Minister of Agriculture (Mr. Gardiner): The one is complementary to the other; the two, read together, constitute the policy.

What is his proposal? In brief it is that the wheat farmer is to be bonused—for the first time in Canadian history—not to produce. That is the outstanding feature of the minister's policy. The minister, through his staff of inspectors, and what not, is to have up to $35 million to play with—and probably more. I wonder if hon. members understand the implications of the minister's words yesterday when he talked about warrants. I have just looked up the Consolidated Revenue and Audit Act. I can visualize that if this is not enough the minister is going back to council —to the treasury board first, and then to council—with a recommendation. This may go to $75 million, or more. In any event I suggest the whole proposition is objectionable. An army of inspectors will be appointed, and the whole position may degenerate into a racket.

Its immediate reaction on me is that it is a clumsy and belated effort to imitate one of the earlier policies of Mr. Henry A. Wallace as part of the new deal in the United States. The reaction to the entire proposal is disappointing, alike to the producers themselves, who will suffer from insufficient farm income, and to the taxpayers, who will have to foot the bills.

As to certain considerations and features which stand out prominently, we will all be in agreement:—

1. It is known that the government cannot dispose of all the wheat grown, and therefore cannot be expected to buy it. I think we all agree on that.

2. Since the government is in the wheat business, and since the quota system is recognized, I ask myself this question: Why should not the price be a fair price? That is to say, why should it not be a price comparable with that of cheese, bacon and other farm products?

3. The wheat business is the most controlled business in Canada and the law of supply and demand is entirely suspended. Therefore why not pay a price at least equivalent to the cost of production?

Mr. GARDINER: What would you make it?

Mr. HANSON (York-Sunbury): I do not know; but I would have it investigated by those who do know. Why should I set myself up as an expert and say that 75 cents, 85 cents, 80 cents, or 90 cents, is the cost of production? It would be foolish for me to attempt to do that. But there are those who do know and, as a matter of fact, the cost of production can be established. I am contending for a principle, that is all. I suggest the price should not be above the levels of other farm products, but since its marketing and disposition is in the absolute control of the federal government there is no real reason why the price paid for the wheat taken should not be a fair one.

4. I believe it would be a much better policy—at least it would be better for the producers themselves—if the government were to pay what it would consider fair for such wheat as it can take and dispose of, and leave to the farmer the task and responsibility of doing his own planning. Now he is regimented both going and coming, and, to make the dose more palatable, he is to be paid for non-producing.

Recently I read the opinion of the president of the Canadian Federation of Agriculture. He said at Hamilton on March 15, as reported by the Canadian Press, that the federal government's wheat policy will work hardships on both western and eastern Canadian farmers. He described the policy as "one of those double-barrelled shot-gun affairs, which soaked the western farmer by leaving the minimum price for a limited quota at the

depression figure of 70 cents a bushel" and "soaked the eastern farmer by paying western farmers to intensify competition in the staple products of eastern agriculture." Mr. Hannam went on to say:

> The new programme is a good example of the folly of trying to carry on without a national agricultural marketing and production programme.

He argued further—and consideration ought to be given by the government to this suggestion—that:

> . . . the swing of nine million acres out of wheat into other products in one sudden swoop is something which should have been accomplished by a crop adjustment programme spread over at least a three-year period.

It should have been started a year ago. Any thoughtful person will, I suggest, agree with him. Finally he condemned the whole scheme and threw it out of the window by saying:

> The lack of an adequate farm policy for the dominion means that agriculture becomes the victim of a series of ill-advised last-minute emergency measures which cannot be regarded in even our most generous moments as the product of competent leadership or good statesmanship.

That is an indictment. I believe it will be the considered opinion of all those who study this problem that the government's proposals are ill-advised last-minute emergency measures which are the product of incompetent leadership and lack of statesmanship.

Already the minister has heard mumblings of discontent. It will not be surprising if before this debate ends the whole scheme will be changed. I believe the minister has already given some indication that he has heard from both the east and the west.

I had intended to examine what was asked by the Canadian Federation of Agriculture through its delegation which met the government as long ago as January 27, 1941. I shall not, however, take time to go into this matter in detail. They made a very patriotic declaration with respect to agriculture in Canada, stating that—

> Canadian agriculture's first task and paramount duty is to place its whole strength and unite its resources from sea to sea behind Canada's war effort.

I believe that is the attitude of our farmers; I have no doubt about it. They said further:

> The war must be won, and the greatest possible degree of national unity is essential if our war effort is to reach maximum efficiency.

To state that is to state the truth.

Then they proceeded to declare that victory cannot be achieved without sacrifice—a point I have emphasized on many occasions. "All classes of our people," they say, "will be called upon to make sacrifices, and the agricultural industry is ready and willing to bear its full share of the heavy load which Canada has shouldered."

The federation went on to declare:

> It is vital, from considerations of national unity, that no one class shall be called upon to carry an undue share of the burden, and that there should be equality of sacrifice by all classes.

I stand four-square behind that declaration. There must be equality of sacrifice. Who is making the greatest sacrifice in Canada to-day? The producer of primary products. I have always noted to my dismay that in time of depression the first prices to fall and the last to rise are the prices of primary products. This is a striking indictment of our present system, of the capitalist system, if you will. I have no panacea to offer at the moment, but I do say that this problem is a challenge to the best brains and the best statesmanship in the world, which ought to be brought to bear upon it to find, if at all possible, a solution.

The brief went on to declare the importance of the agricultural industry in terms of the numbers engaged in it, and then dealt with the question of the distribution of the national income. Everyone has read this. To me it is appalling that with the national income rising as rapidly as our friends say it is—I know it is rising very rapidly but I doubt whether it is rising as rapidly as it is said to be by the statisticians—the share of the national income accruing to the average primary producer should be so pitifully small.

The brief went on to speak of the whole agricultural picture. That I shall not repeat here. But I do want to refer to the brief's recommendations with respect to wheat, with some of which I agree and with some of which I disagree.

First of all it recommended that a compulsory restriction of the acreage seeded to wheat would be undesirable at the present time. I agree with that, provided the restriction was confined to Canada. An attempt was made in the last decade to limit world wheat acreage, and if that could have been undertaken as an international activity it would have been the very best thing that could have been done. But it failed. I am not going to place the responsibility on anyone, although we all know what happened in 1933. The attempt failed because you could not get international action. It is of no use to ask the Canadian agriculturist to reduce his acreage while extending an invitation to the Argentine and other wheat producing countries to increase their acreage. That is not the right way to go about it, nor could it be productive of any beneficial results.

But I do say this: upon giving the farmers fair notice that the government can take delivery of only so much wheat, you could have trusted the farmers themselves to do their own planning over a period of time and adjust their acreage sown to wheat. They would be likely to do it. The intelligent ones would do it, and the others would follow suit. If farmers know they are not likely to market their wheat they will not sow so much.

The second recommendation was that the wheat board should undertake to announce the total amount of wheat of which it is prepared to accept delivery.

That has been done, and I think it was the proper thing for the board to make that announcement. Certainly it could not accept the whole production of our Canadian wheat fields, because the public treasury, other things considered, could not stand it. I think therefore the government has been wise in announcing the total amount of wheat that it will take. Some people believe that the amount is not large enough, but I leave that question to those who are better informed than I am. The underlying principle is sound, and I commend the minister for that.

Another recommendation called for an increase in the initial payment for wheat delivered in the crop year 1941. That has been refused.

I draw attention to the next recommendation, and I face fairly and squarely the question raised thereby. They asked for a processing tax of not less than 50 cents a bushel. The recommendation reads:

> That a processing tax of not less than 50 cents per bushel should be placed on all wheat milled for domestic consumption, the tax to be added to the aggregate price received for the wheat marketed and be available for the purpose of increasing the initial payment to the farmer.

That has been refused, in my judgment properly so; because to grant it would furnish an added incentive to farmers not to cut down the acreage sown to wheat but to go on and produce in the hope that through pressure the government would ultimately take the wheat, thereby adding to the burdens of the country. Notwithstanding what the member for Qu'Appelle has said about the price of bread, I have no doubt that a processing tax of 50 cents a bushel would add to the price of bread.

Mr. REID: Why should it?

Mr. HANSON (York-Sunbury): I am sure it would.

Mr. REID: There is no reason for it.

Mr. HANSON (York-Sunbury): I am not going to work out the mathematics of it now, but I believe that it would increase the price of bread just as surely as I believe that I am standing on my two feet.

The fifth recommendation related to grain storage facilities, and in this regard stress was laid on the need of a reserve for a constant supply of wheat to Great Britain in the event of possible crop failure during the war and for the needs of the people of Europe when the war was won. The specific recommendation was that the dominion government be asked to provide financial assistance to farmers for the construction of adequate farm storage facilities to enable the farmer to adjust his deliveries.

That recommendation was ignored. I believe that it is perfectly feasible, at least from the standpoint of legality. I know there is fear that you could not police this wheat on the farm, but that difficulty could be overcome. Personally I think, as the hon. member for Weyburn (Mr. Douglas) argued last night, that the farmer should be encouraged to establish and maintain on his farm adequate storage facilities so that he might reap the benefit of the charges that accrue from that class of storage. I ask the minister to reconsider that part of his proposals.

Mr. GARDINER: I was the first to suggest it.

Mr. HANSON (York-Sunbury): Perhaps that is so, and if so I give the minister credit for it. I have never condemned the proposal. Last year I reverted to the problem and said that I understood the difficulty. It might be like Duncan Marshall's bulls—when they went to look for the bulls they were not there. That is an old story in the west. I ask the minister to reconsider this proposal, because I believe the difficulty could be overcome.

Mr. GARDINER: If I might be permitted, I said in my speech yesterday that this was one of the questions that could not properly be determined until about July of this year.

Mr. HANSON (York-Sunbury): I quite appreciate that the minister said that, and if he is looking for a pat on the back he is getting it right now. My friend from the west behind me says that there may not be any wheat to be carried over. I hope he is right.

Mr. TUCKER: I hope he is wrong. I hope we have a crop.

Mr. HANSON (York-Sunbury): Perhaps I did not understand the implication of his interjection. I certainly hope there will be a crop and that storage facilities will be provided so that not one kernel of wheat will be destroyed. It is all going to be needed some time, and the only problem is how to carry it in the meantime.

May I direct the attention of the house and the country to the manner in which the government has dealt with the question of providing new storage facilities.

This problem was discussed at great length at the last session, when the amendments to the wheat board act were before the house in late July and early August. At that time the government intimated that discussions were being carried on with the elevator companies with respect to increased storage. They were at that time I think opposed to the giving of financial aid to increase farm storage. We were unable to get any information at the close of the session.

After the house rose in August, arrangements were made with the elevator companies to provide for what is termed temporary storage at the elevators in the country. These new erections, being additions to country elevators, were built by these companies without any order in council having been passed, so far as I can ascertain, but, as I understand it, upon a ruling by the income tax branch that the costs could be written off in two years and absorbed in depreciation account. I tried to look into the legality of this position, and apparently it is based upon paragraph (n) of section 6 of the Income War Tax Act, which leaves the power to determine depreciation allowance in the uncontrolled discretion of the minister:

6. In computing the amount of the profits or gains to be assessed, a deduction shall not be allowed in respect of

(n) depreciation, except such amount as the minister in his discretion may allow, including such extra depreciation as the minister in his discretion may allow in the case of plant and equipment built or acquired to fulfil orders for war purposes.

A ruling was given by the commissioner of income tax on August 6, 1940, covering the so-called balloon annexes, from which ruling I quote in part:

It has been determined that the capital expenditures to erect temporary or "balloon" annexes will be written off out of gross revenue in two years, namely, 1940 and 1941.

This would appear to me to have been a most liberal arrangement. I have been advised—this is hearsay evidence, not the best evidence by any means—that in many instances these structures will be good for from five to ten years. At all events they will be good for the probable duration of the war. The benefit of the allowance will enure entirely to the elevator companies who, notwithstanding the limited turnover and the slight reduction in storage charges, are enjoying capacity business and probably, in their capacity as warehousemen, making more money than at any time in their history. In fact, it may be stated that our elevator companies are the only people who are benefiting by the present situation. A perusal of the balance sheets of those companies which publish balance sheets will indicate this. Why should the government not review this position? Is it not the consensus of opinion that under present circumstances the storage charges are too high, having regard to the capacity business being done?

Then on February 15, 1941, order in council P.C. 1225 was passed providing for assistance by way of depreciation allowance for income tax purposes to any elevator operating company which constructs temporary terminal storage at the head of the lakes. That is a most generous gesture to the elevator trade. No part of the benefit accruing to these companies by this assistance accrues to the producer or to the grain trade, unless it be that the grain trade and elevator companies are intermingled by ownership and that sort of thing. Recently the plight of the members of the grain trade was brought to my attention. The plight of those who are not interested in the elevator business is a sad one. The Winnipeg grain exchange was kept open by the government it is said at the request of the British authorities. I am informed, however, that the Liverpool exchange and the British market are closed to-day. I have not been able to verify this, but that is the information which comes to me from the grain trade. I ask the minister: why has the Winnipeg grain exchange been kept open? what useful function can it perform when there is only one buyer and only one seller?

Mr. GARDINER: The reason was given to the house last year, namely, that the British cereals board asked us to keep it open.

Mr. HANSON (York-Sunbury): That is the government's stock answer.

Mr. PERLEY: Who represents that board in Winnipeg?

Mr. GARDINER: I do not know that anyone represents it in Winnipeg.

Mr. CRERAR: I might offer another reason. Wheat is the only article controlled by the wheat board under any legislation, but we have considerable quantities of other cereals such as rye, oats and barley, which are sold. It is necessary to have a market for them.

Mr. HANSON (York-Sunbury): It may be that that is a satisfactory reason. At the moment I am viewing the matter only from the point of view of wheat.

Facilities good for a much longer period are to be paid for out of depreciation allowance in two years, and this for companies already

doing well financially out of the grain trade. The effect of this is a substantial bonus to the terminal elevator companies, and I have heard that they are taking advantage of this with great alacrity.

I wish to deal briefly with the bonus question. What of the policy of the bonus? Is this the minister's own policy? He told us last night that it was the joint policy of the government. We have all heard the principle of cabinet solidarity, but I am just wondering whether if the minister were left on his own resources, he would have brought in this bonus policy. I have the idea that it is the joint product of the government's brain trust. I should like to be informed if that is true, because it smacks of the new deal in the United States, a throw-back to the discarded policies of Mr. Wallace, a clumsy and belated imitation.

The whole wheat policy was received in the west with surprise and dismay, or so say the pools, and they claim to represent the producers. The producer knows his own land. He knows it is useless to produce if he cannot sell; that is, provided he has a level head upon his shoulders. He naturally will plan his own economy. The large producer will do his own planning, because he knows. But what of the small producer on a half-section or less? How will it affect him? What hope has he under this policy? The relatively small amount which each small farmer will be able to market, the increased cost of operation, production and living, and the fact that seventy cents is less than to-day's production cost, make the proposed plan wholly inadequate.

Stated concisely in a nutshell, the western wheat farmer is being asked, because of limited deliveries, without any increase in price, to accept a sharp reduction in farm income from wheat. Deducting freight rates and handling charges the seventy cent basic price for No. 1 northern at Fort William is equivalent to less than fifty cents on the average prairie farm. I am told that it is equivalent to only forty-eight cents. The sale of 230 million bushels will net these farmers $115,000,000, the lowest income from this source since 1933. This is just about half the value of wheat marketings during the present crop year. It will be really less than that, because that price is the maximum that may be hoped for. How can the western wheat farmer live on an income which is less than two-thirds of last year's income. By this bonus of $36,000,000? Assuredly not.

What are the alternatives? They appear to me to be two:

[Mr. R. B. Hanson.]

1. An increase in taxation passed along to the consumer by way of a processing or some allied tax.

2. An increase in the basic price of wheat.

I have said before that in my opinion an increase in the processing tax cannot be justified. At best, it was only a makeshift, designed to reduce the loss to the treasury. It was never designed to aid the farmer in the initial price he was to get. It was to reduce the deficit. To increase it to 50 cents would mean a tax on bread, and in the interests of the consumer that should be definitely barred. Its retention at 15 cents is an expedient, it is true, but refusal to increase it is a declaration of policy on the part of the government not to expand further this form of taxation. Definitely it is a tax which falls with unequal weight upon the lower income groups. It is in the class of regressive taxation of a particularly undesirable kind. We should get rid of it just as quickly as possible. To raise it would increase the cost of living, upon which would be based a justifiable demand for higher wages, thus setting in motion all the inflationary forces so difficult to control in time of war—forces which, I fear, are already in operation.

What is the only other alternative? The only alternative I can see is this—and I offer this to the committee and the country for what it is worth. I hope that hon. gentlemen in discussing it will not deprecate the source from which it comes, because it is an honest expression of opinion based upon the best information I can get from my friends in the western country, who at least know something about wheat. The only alternative is to raise the basic price to the farmer to a point which would at least approach cost of production, and approach parity with prices of other farm products and prices which the farmer has to pay for the implements of production and maintenance of a decent standard of living.

Such a policy is justifiable if the farmer is to keep body and soul together and remain on the land. That is something that we have all been trying to do down through the years of development of this country. In all parts of Canada we have sought at great cost to keep the farmer on the land. We are not abandoning that policy, I hope, and I advocate this even if such higher price involves some additional taxation; and if additional taxation is necessary for that purpose, there are more equitable ways of raising it than by an increase in the processing tax.

The bonus in theory is a compensating measure which will fail in its objective. It is negative in all its attributes and will please

no one. The big farmer in existing circumstances will, I am told, summer-fallow anyway. He is to be paid now for doing that which his judgment tells him he should do under present circumstances. I have heard of a farmer in the west who had definitely decided to summer-fallow 750 acres of land this year which was in wheat last year. He will still do it and will be paid $3,000 for doing it.

An hon. MEMBER: Who was that?

Mr. HANSON (York-Sunbury): That is my secret. The small farmer of a half-section or less—how can he exist on the theory of this bonus? Most of them will turn to coarse grain and a $2 bonus, and go into hogs. We heard about that last night from Ontario members, and we shall hear more about it before the item passes. Then with his cheaper feed, think of the competition of these people with the farmers of eastern Canada. The latter will have no bonus. In the maritimes we have a good many hog raisers, and we are finding it exceedingly difficult to compete with the Ontario farmer because of the high cost of mill feed. I am bound to say this, that the Minister of Agriculture offered to cooperate with the provincial governments of New Brunswick and Nova Scotia, paying half the freight from Fort William, and he could not get his friends down there to accept his offer. I do not understand why, if they were giving consideration to the hog raisers of New Brunswick, Nova Scotia and Prince Edward Island, the minister's offer was not accepted. At least, it was a half-way measure. But they did not accept it and there the matter stands. So far as I know, they have never given publicly any reason why they refused that offer. I suppose the idea is that if they waited and pressed long enough, the dominion government would go the whole way. That is the theory in the minds of some people. They forget entirely that while there are nine or ten public treasuries in Canada, there is only one set of taxpayers.

There are just one or two other aspects upon which I should like to touch. I apologize for keeping the committee so long, but this is my contribution to this debate, and perhaps it may add something to the sum total of the knowledge of the house and of the country.

We are all exceedingly grateful for the lease-lend bill recently passed by the congress of the United States. It may well be that the aid and support to Britain given under that measure will be the turning point in the war. Indeed, I think it will be and I am extremely grateful for it. But I wonder whether—and I am not saying this in any attempt to throw any doubt on the validity of their desire to help—as a matter of economic fact, the government and hon. gentlemen in this house have considered that the aid to be given and given freely by the United States is not to be confined to war material and to equipment. It may and undoubtedly will in time take the form of gifts of supplies —food supplies. Indeed, already they are planning to send wheat and wheat flour to unoccupied France. Undoubtedly they will be giving wheat and wheat flour to the mother country. Has the government visualized that? I wonder what our reaction will be to that. We cannot say nay. My immediate reaction is that it will just add to our troubles. I do not see any other way out of it. You cannot ask the British government to refuse it. The offer would indicate a very fine disposition on the part of the people of the United States.

May I recall to the minds of hon. gentlemen that on July 10 last I asked this government to give consideration to the idea of an outright gift of 100,000,000 bushels of wheat to the mother country. It would not help the price; it would not help the storage position much, but it would be a great gesture to the hard-pressed people of Britain. Any one who cares to look it up can see what I said. I am bound to say, however, that it brought not a ripple of response from this government and I have often wondered why. Is it that we are doing so much otherwise? We are, of course; but I have always thought that Canada, out of her great abundance, not as an expedient but as a gesture of good will and of admiration, could give to the people of the mother country some of our superabundance of wheat. The people of the United States are contributing to-day, as a trial shipment, a million dollars' worth of flour to the people of unoccupied France. It is a trial shipment, and if it goes through and does not get into the hands of Germany, others will follow. Canada undoubtedly will in time be asked to make some contribution in food to the starving peoples of Europe. How much the more should we do that for the hard-pressed people of Britain who find it so hard to get Canadian dollars? I here and now renew my suggestion to the Canadian government and ask them out of the billion and a half dollars which they are asking the Canadian people to raise under the war appropriation bill to give some of our abundance to our kith and kin across the ocean.

On Tuesday last, the Prime Minister took occasion to point with pride to the contribution of the Canadian people—not the government, he laid emphasis on that, but the Canadian people—to Britain's war effort in terms of our armed forces, equipment and,

above all, dollars and cents. I do not pause here to analyse his statement or his figures, but I suggest that he might very well have included a free gift of food to the beleaguered people of Britain.

Mr. ROSS (Moose Jaw): I do not intend to follow the leader of the opposition (Mr. Hanson) through all his arguments both for and against himself on this question, but I shall touch on one or two things that he said.

In the first place he spoke of the amount of wheat Canada had on hand on account of the operations of John I. McFarland. We did have a great deal of wheat on hand when this government first came into office, and the main reason for that immense stock was that we would not sell. After Mr. Murray took over the chairmanship of the wheat board the policy put into effect was to sell wheat on the British market and other markets. At that time, when that policy was put into effect, the mix of Canadian wheat in the mills of Great Britain was only about seven per cent of the total. As a result of this policy Canadian wheat was sold, and that mix has gone up to seventy per cent in British flour, and that figure holds there to-day.

I agree with some of the things my hon. friend said. He did not make much reference to the last war, but wheat, and especially Canadian wheat, was a very important factor in the winning of that war. We in the west who were wheat farmers at that time were asked by the government of this country to extend greatly our acreage in order that Great Britain and our allies might have sufficient food. Wheat was badly needed before that war was over, it will be badly needed again before this war is over. Never in the world's history has there been a war in which foodstuffs, of which wheat is the most important, were not badly needed before the finish and immediately thereafter.

But, as my hon. friend has said, preparations for the present conflict began long before September, 1939, and it was because of this war economy that the world business of growing and selling wheat was disrupted. It was the war economy which was developing for years prior to September, 1939, that dislocated the whole wheat business of the world, and our people suffered on that account. In September, 1939, actual hostilities started, and thereafter wheat began to rise in price. Many people have asked me why the western farmer sowed more wheat acreage last spring when he knew the initial price of wheat was only seventy cents. Last spring when the western farmer was sowing wheat the price was ninety cents a bushel and over. That was before the low countries were invaded and before France was overrun. Everyone who knew anything about wheat at that time knew that if France were able to stay as an ally of Great Britain and to keep her country largely intact, at least 100 million bushels of wheat would have to be forwarded to France immediately. Italy was not in the war when we were sowing wheat last year, and it was reasonable to expect last spring that the price would rise, not fall.

Some hon. members have said that wheat is not a casualty of the war. It is. The price did not fall until after the low countries were invaded, until after France was being overrun and Italy stabbed her in the back. No one knew exactly at that time what was going to happen. No one knows now exactly what will happen within the next year.

Many people say that we should reduce our wheat acreage in this country. I do not altogether agree with that. I believe all the wheat we can produce from now until the end of this war will be needed, and needed badly. Nobody knows what devastation there will be this coming summer, both in Great Britain and in Europe, when crops are about to be harvested. Does anyone seriously think that both Great Britain and Germany, who are trying to carry out against each other a blockade of all foodstuffs, are going to stand by and let crops be harvested this summer and fall? I do not believe it. I believe the greatest devastation will occur in Europe this year. Incendiaries will be dropped in the fields where they cannot be fired at by anti-aircraft guns, and great areas of farm crops will be burnt in all the countries affected. Wheat may be very badly needed by Great Britain and by our other allies before very long.

When the war started, and even last year, we did not have the allies fighting with us that we have to-day. Greece has come in since, and it looks very much as if Turkey will also come in. Yugoslavia has made a move—and remember that they are Serbs; it is springtime in Europe and the bear comes out in the spring. I will not be surprised if "the bear that walks like a man" is an ally of ours before very long, and also badly in need of wheat. No one can tell just what the situation will be; no one can tell how much wheat we shall be able to sell, even within the next year.

At the present time we as western members are asked to vote for a policy which, on its face, on the basis of last year's crop and last year's return, would seem to mean that our

wheat growers may have to take a reduction of some thirty per cent in their gross return. I have heard arguments in this house from all sides in regard to the small farmer and how this policy will affect him, and in regard to the large farmer and how it will affect him. No one can tell how this policy will affect anyone. It is not the gross return to the farmer that must be taken into consideration. He is the same as any business man; it is the net return that you have to consider. If there should be an abundant crop in western Canada next year then I would say that under this policy the net return to the farmer would be smaller. But if there should be a small average yield in western Canada next year I believe the net return to the farmer, large or small, would be better than if this policy were not in effect.

This government very properly called in experts in regard to wheat and the growing of grain, in order to obtain their advice as to what should be done. Then, naturally, they took what they thought to be the best advice of those experts. Well, Mr. Chairman, it is a little more than thirty years ago since I started growing wheat on my own farm in western Canada. During that time I have followed the wheat market pretty closely. I have known a good many of the grain men and grain experts; and if those experts have told the Minister of Trade and Commerce and the wheat committee of the cabinet that a long range policy should be one under which the acreage of wheat would be reduced; if they have told the committee that in the long run we can sell only so much wheat, I would tell the government that of one thing I am sure, and that is that the experts are one hundred per cent wrong. In all my experience I have never seen them right when they unanimously agreed on anything.

I want to warn the government against another wheat expert, the hon. member for Qu'Appelle.

Mr. PERLEY: You need not warn them.

Mr. ROSS (Moose Jaw): The hon. gentleman sets himself up as a wheat expert in this country. I know he has had a good deal of experience; probably he has lost as much money as anyone still in the wheat business. Then we have the hon. member for Weyburn, to whom I listened very carefully yesterday in what I thought was a very moderate speech. The hon. gentleman made some suggestions which I considered were not too well thought out. For instance, he suggested that a farmer should be allowed to deliver from 750 to 1,000 bushels, at an increased price, on each quarter section of land.

Mr. DOUGLAS (Weyburn): On the first quarter section, not each quarter section.

Mr. ROSS (Moose Jaw): All right. There are 290,000 farmers—

Mr. DOUGLAS (Weyburn): Not wheat farmers. There are 250,000 wheat farmers.

Mr. ROSS (Moose Jaw): They would all be wheat farmers if they could get a good price. If we allowed each of the 290,000 farmers in western Canada to deliver 1,000 bushels, that would mean an increased price on 290,000,000 bushels. On many occasions in this house I have listened with a good deal of interest to the hon. member speak about farming, wheat growing, wheat policies and so on; and the more he talks the more I am convinced that the shepherd should stay with his flock.

Mr. DOUGLAS (Weyburn): The shepherd is trying to keep the wolves away from the flock.

Mr. ROSS (Moose Jaw): And you are doing a pretty good job. I have heard hon. members of this chamber, the leader of the opposition and others, speak of the effect of this policy on the live stock industry of eastern Canada. They claim that by what they call bonusing, though I do not call it that, in connection with coarse grains in western Canada, the farmers of Manitoba, Saskatchewan and Alberta will go more largely into the feeding of live stock and the raising of hogs, and that for this purpose they will take advantage of the so-called bonus to grow more coarse grains. After hearing these statements made yesterday I took the trouble to obtain the figures from the bureau of statistics. I find that last year there was a decrease of some 360,000 acres, as compared with the year before, in an acreage sown to oats in western Canada, while the acreage devoted to barley remained at practically the 1939 level. During the same period, however, the production of hogs in western Canada increased tremendously. As a matter of fact these gentlemen who fear greater competition between western Canada and Quebec and Ontario have not been watching things very closely, because now the competition is the other way. Next year we in the three western provinces will produce more hogs than will be produced in Ontario and Quebec, without any help that may come from this new policy.

I have here the figures with regard to the expected spring pig crop for 1941. Sows bred to farrow in both Ontario and Quebec for this spring number 321,700. Those bred in Manitoba, Saskatchewan and Alberta number

361,600. In other words 40,000 more sows were bred in the three western provinces than in Ontario and Quebec; and with an average litter of eight that will mean about 320,000 more hogs in the three western provinces this spring than in Ontario and Quebec. So why worry about this policy? That result has been brought about without any increase in the acreage devoted to oats and barley in the west. Of course our farmers fed a good deal of wheat.

Let me point to the figures with regard to dairying. My hon. friends are afraid that we are going to take their place in that industry. Well, we are taking it already. The production of factory butter in the west during January and February of this year was as follows: Manitoba, 2,739,000 pounds; Saskatchewan, 2,843,000 pounds; Alberta, 3,071,000 pounds.

That gives a total of almost 9,000,000 pounds; and during the same two months the province of Ontario produced just 9,000,000 pounds. The increase in production over the same two months of 1940 is 20 per cent for Manitoba, 42 per cent for Saskatchewan, and 17 per cent for Alberta. These figures I place on record, because they are the figures which obtained before the policy went into effect. Do not try to blame the policy for any assistance it has given to the western farmers, or to hold it responsible for any increase in the production of dairy products and live stock. That has already taken place, and for this good reason: the price of wheat has been too low, and the farmer in western Canada has had to turn to something else.

For many years I have been told by people in this part of Canada that we farmers from the west have been wheat miners, that we did not want to work, that we would not milk cows, and that we would not feed hogs. Well, Mr. Chairman, we are doing it to-day. No matter why we did not do it before, the fact is that we have been forced to do it. I would add that we did not do it before because we felt that our business was more the growing of wheat than the production of dairy products and live stock. But it has not been the policy of a government which has brought about the change; it has been an economic condition. We have had to produce these things.

My hon. friends have described this policy as that of bonusing. I say this is not a bonus. To-day we have many millions of bushels of wheat in storage in Canada. Does any one suggest seriously that it could not be sold? Of course it could be sold. A large amount of it could be sold—and to neutral countries. But the sale of that wheat would not work to the benefit of the democracies which are fighting the war. It would not be to the benefit of the British empire, or to the people of Canada or, to be more specific, to the people of western Canada. We cannot allow that grain, through any channel, to get to our enemies. Therefore to-day our government quite properly states that our wheat shall not be sold in those places, where it could be sold. Will anyone seriously say that because this action is for the benefit of the democracies throughout the world, for the benefit of the British empire and of Canada, the western farmers should carry the whole load? Of course that is not a reasonable proposition.

This is not a bonus; it is a compensating payment to farmers for two things: (1) for not piling up any greater surplus of wheat in the bins across our country, and (2) for preparing our land in such a way that when more wheat is needed we shall be able to produce it.

Mr. DUPUIS: There are hundreds of thousands of bags of potatoes we cannot dispose of to-day, too.

Mr. ROSS (Moose Jaw): And probably for the same reason. I would not for one moment say the government should not help the hon. member with those potatoes.

Mr. DUPUIS: Good.

Mr. ROSS (Moose Jaw): We can store wheat in Canada in more ways than one. As a practical farmer I believe I know that about which I speak. We summer-fallow in western Canada for three purposes: for the killing of weeds, for the storing of moisture, and for making available certain plant foods, through the break-down of the soil from the operation of the sun's rays, the wind and other weather conditions. If at this time we cannot handle a larger amount of wheat stored in bins, and if we feel that we will need more wheat in 1942 or 1943, the best policy we could follow would be that of having our land properly prepared. By giving the land an opportunity to store moisture and by making plant foods available for the crop, potentially we are storing wheat in the ground, because when the fallow land is put into crops it will give a higher yield. That should be the condition when it becomes necessary to ship grain to those who are now and who probably will continue to be our allies.

An hon. MEMBER: Would it not be better to have it in the bin?

Mr. ROSS (Moose Jaw): No.

Mr. QUELCH: It may be preparing a dust storm.

Mr. ROSS (Moose Jaw): My hon. friends have been talking about bonuses. I will tell the committee about one bonus which to my

knowledge has been paid for forty years, a bonus which has been paid to the people in Ontario from whom we have been forced to purchase the products we buy.

An hon. MEMBER: Quite right.

Mr. ROSS (Moose Jaw): I am a farmer. Last fall my truck, which I had purchased nine years ago, secondhand, needed replacing, and I decided to buy a new one. The new truck cost me $500 more than it would have cost my competing neighbour across the boundary in the state of Montana. Was that a bonus to somebody? I'll say it was! It was a bonus of at least $500 to the province of Ontario, where that truck was made.

Mr. DOUGLAS (Weyburn): Surely not, under a free trade Liberal government!

Mr. ROSS (Moose Jaw): Under any government—and my hon. friend knows it.

Mr. JOHNSTON (Bow River): That still does not make it right.

Mr. ROSS (Moose Jaw): I agree, absolutely—and I started to talk about that long before you did.

Mr. DOUGLAS (Weyburn): You did not get many results, though.

Mr. ROSS (Moose Jaw): Oh, some.

Mr. JOHNSTON (Bow River): You should change parties.

Mr. ROSS (Moose Jaw): That bonus has been paid for many years, and I suppose it will continue to be paid. But surely, after telling us, the western farmers, for so many years, that we must buy in this market, these gentlemen are not going to come to us and say, "Oh now, you must not go into the live stock business; you must not go into the dairy business, and you must not sell feed, because that is our business." Surely they will not say that.

Mr. FURNISS: Does not the hon. member think that the Ontario farmer pays just as much through tariff protection as does the western farmer, per farmer?

Mr. JOHNSTON (Bow River): No, not nearly.

Mr. ROSS (Moose Jaw): Proportionately, probably, yes. And I am in favour of getting all the Ontario farmers to agree with me in what I am saying. Instead of farmers of Ontario fighting the farmers of the west, I would have them all get together and have something done about it.

Mr. REID: That would not apply to British Columbia, because we pay more for our machinery there.

Mr. ROSS (Moose Jaw): Last night I listened to some humorous observations from one of my colleagues, the hon. member for Wellington North. He is a farmer, a doctor and a politician.

Mr. DOUGLAS (Weyburn): "And the greatest of these is—"

Mr. ROSS (Moose Jaw): He may be a very good farmer, but he is much more agile than most of us. He can get out from under when the going is tough. He told us so last night. As a politician I would say that the local view obscured the national, with him. As a doctor, I believe he is one of the better general practitioners in Ontario. He is a good humorist, because I know he was speaking humorously last night.

Mr. JOHNSTON (Bow River): A lot of truth in it, though.

Mr. ROSS (Moose Jaw): Had he been speaking seriously, and had he been a brilliant psychiatrist instead of a general practitioner, I would have said to him, "Physician, heal thyself."

Mr. MacNICOL: Pretty good on the bible to-day, Gordon.

An hon. MEMBER: "Go thou and do likewise."

Mr. ROSS (Moose Jaw): The value of this policy cannot be gauged at this time because no one can tell just what the position of the farmer is going to be until we know what this year's crop is. His net returns under this policy may be greater than if he grew wheat on all his land, even at an increased price. Hon. gentlemen opposite talk about the cost of production of wheat, but in thirty years of farming I have never been able to figure it out. I can figure the cost per acre.

Mr. NICHOLSON: Is a price of 70 cents enough?

Mr. ROSS (Moose Jaw): I would not think so. In speaking of costs hon. gentlemen opposite say that a small farmer cannot make money with wheat at 70 cents, and many of them say he cannot make any money at 85 cents. If that is so—I do not say it is—then the farmer will be better off if he turns to doing something else which will bring him a net return.

Mr. QUELCH: His overhead is the same.

Mr. ROSS (Moose Jaw): His overhead may be the same, but that is only a small part of it.

Mr. QUELCH: A big part of it.

Mr. ROSS (Moose Jaw): The big farmer is in the same position. If he has a fair crop this policy may not fit him as well, but if he has a poor crop it will fit him better. I have not yet been able to find a man who can tell me what the crop in western Canada will be this fall—never in any year—and therefore I cannot say at this moment whether or not this policy will be good for western Canada. It may be. Time alone can tell. But I do know this, that it will put western Canada in a position to produce more wheat at a later date when wheat may be needed much more badly than it is now.

I will say this for the farmer, whether he be in eastern Canada or western Canada, that no matter what any government does he is still going to produce, whether it is wheat or something else, because he believes that that is his part in this war. He did it in the last war, and he will do it in this one.

If the present policy of this government will not properly look after the farmers of eastern or western Canada, then I say it is up to this government and this house and the people of this country to see that a policy is established that will look after both. The farmer has a right to expect that, just as much as any other industry in Canada, and, Mr. Chairman, I do not believe that the people of Canada are going to let the agriculturists down at this time.

Mr. MacKENZIE (Lambton-Kent): Mr. Chairman, I had not, until a short time ago, intended to speak in this debate, so I crave the indulgence of the committee. I speak in this charmber very little, and in my remarks to-day I shall endeavour to be brief.

The greatest task before the Canadian people and before this House of Commons is to-day the winning of the war. Everything else pales into insignificance in comparison with that, and we should make sure that this parliament gives a lead to the Canadian people in doing everything possible towards the winning of the war.

A few days ago we passed the war appropriation bill, and I must confess that it was disappointing to me that such a vital war measure took so long to pass this House of Commons. Many of the questions that were asked when that bill was before the house and many of the addresses that were made upon it had little or nothing to do with furthering Canada's war effort, and sometimes I could not help thinking that if some of the dictators could have looked into this House of Commons while we were discussing this vital war measure, they would have said: "Surely there is nothing to fear from an organization like that".

This afternoon we have listened to great orations on the wheat problem, but really, Mr. Chairman, I do not believe that the people of Canada are very much concerned to-day with the question whether McIvor or McFarland had the best wheat policy years ago. All that is water under the bridge. The question for us to consider to-day is, what are we going to do from now on? Where do we go from here? So I suggest to my hon. friends who insist on injecting politics and bickering into our discussions, why not lay your cudgels aside until you can fight it out on the hustings? You will have plenty of time to do that three or four years from now, and then you will be doing it on your own time, and probably will have a bigger audience that you have in this House of Commons.

The great questions that confront us to-day are naturally economic ones—war economy, economy among the Canadian people, agricultural economy, our farm problem. Agriculture is the very basis of our social and economic life, and we should make the farm so attractive that our rural youth and the older people who live on the farm will be glad to stay there and make their contribution toward the life of the community. Until we have a policy that will do that, we shall never have solved our economic problems or have a happy and prosperous Canadian people.

The Ontario farmer—and I speak of Ontario because I know it better than other parts of Canada—is far from prosperous. In November, 1938, if I recollect aright, 790,000 people in Canada were on relief, and of that number less than two per cent were from Ontario farms. In Ontario itself, 220,000 people were getting relief, and less than four per cent of that number came from Ontario farms. Therefore, in spite of low returns and high operating costs, our farmers have been able to look the Canadian taxpayer in the eye and say: At least we have been no burden to you.

Let me say, too, that the farmers of Canada take second place to no one in their loyalty and devotion to the mother country. We are willing to contribute to the limit of our ability, to produce to help Great Britain in its all-out effort to win this war. For twelve years, yes, considerably longer, the farmers have been in a bad way. Nearly 40 per cent of the population of Canada lives on the farm, and during the last few years the farm population has been getting less than 10 per cent of the national income, and, in a great many instances, even less than that.

Conditions on the farm in Ontario do not differ very much from farm conditions in other parts of Canada. Everybody realizes that a prosperous farmer means a prosperous Canada, and our policy should be designed

to bring about a balanced economy, so that with parity prices for the products the Canadian farmer has to sell and the commodities he has to buy, he will be in a much better position than he is in to-day. It is admitted that to-day he is in as bad a position as he has been in for a long time. It is not that farm prices in some lines have not been better in recent months, but he has used up his reserves until he has nothing to fall back on. His present condition is very bad. The hon. member for Haldimand (Mr. Senn) is not in his seat at the moment, but I would remind him that in 1930, 1931 and 1932 farm prices were much lower than they are to-day. Here is the peculiar part which politics play. When prices are low and conditions bad, they are blamed on the greatest depression we have ever known. If the other side is in power, the blame is placed upon their policies. They are blamed for conditions being as bad as they are.

Mr. MacNICOL: That is all water under the bridge.

Mr. MacKENZIE (Lambton-Kent): That is what is going on. The Minister of Agriculture has a most difficult task on his hands. Last fall he paid a visit to Great Britain and, in order that a lead might be given to the Canadian people, attempted to get information as to what products that country required. I should like to quote briefly from page 346 of *Hansard* of November 22, 1940. The hon. member for Parkdale (Mr. Bruce) was speaking as follows:

I have twice been deeply shocked during this session. Last Thursday a minister of the crown, back after about four weeks in heroic Britain, rose in his place and boasted to this house that he had made millions for Canadians by his shrewd bargaining with the defenders of everything we hold dear. I could scarcely believe that the time could ever come when anyone would be triumphant over bargains arising out of the motherland's necessity in her hour of direst need. Surely if there ever was a time—

Mr. Gardiner: Mr. Speaker, on a question of privilege. I did not boast that we made millions as a matter of bargaining with Great Britain. We accepted, with no bargaining, the prices that Great Britain offered us.

And I quote the hon. member for Parkdale again:

I refer to *Hansard* of November 14, which contains the report of the speech of the Minister of Agriculture. On page 115 is given a statement of the value of exports of certain Canadian agricultural products and fish to the United Kingdom for the years 1935 to 1940, with estimated figures for 1941. The value of those exports in 1935 was $34,133,394: the value for 1941 it is estimated will be $105,741,000. For nine months of this year the value was $63,343,411.

And again:

I was going to say that surely if there ever were a time when we should make a thank-offering, it is now. Let us open our bursting granaries to Britain and give her our wheat. Now is not the time to drive bargains or seek higher prices than are prevailing right at home.

I should like to quote from an article which appeared in the Toronto *Globe and Mail* on May 25, 1940, as follows:

Honourable Doctor Bruce undoubtedly made articulate what is in the minds and hearts of the people when, in the House of Commons on Friday, he discussed Honourable James G. Gardiner's food sales to the mother country during his recent visit. Few, if any, but would say, "For God's sake, let us give freely of the bounty with which nature has supplied us so abundantly and of which the gallant defenders of our liberty are in need." There is no excuse for dickering over quotas and prices when we have so much to spare.

Doctor Bruce expressed the sound and human point of view in proposing that we make our land products available to the heroic Britishers without thought of profits but as an expression of our admiration and gratitude. Such an attitude on Canada's part would be an encouragement and inspiration, going far to help the people of the besieged little island.

I am quite in accord with that. I feel that in the final analysis foodstuffs will play an important part in this war. At the moment, however, this is not Britain's dire need. What she needs more than anything else at this time is ships, bombs, planes, and munitions of war. So I say, let us give them to her. If Britain loses this war, if we lose this war, all will be lost. Munitions of war are supplied and manufactured on a profit basis, on a cost-plus basis. I say, let us give freely of all the things that we have.

All that agriculture asks is that it be placed on a parity with the munitions manufacturing industry. What a change took place. It will be remembered that shortly after that butter was pegged. It will be remembered that this same periodical accused the Minister of Agriculture of going over to Britain, bartering with them and selling us down the river. The Minister of Agriculture was being accused of being lax in his duties when he consented to such a bargain as that. As I say, the Minister of Agriculture has a most thankless job. I ask that agriculture be considered a national problem and dealt with as such.

I do not agree with the wheat policy of the government as it has been announced and as it is to be carried on by the item we are now discussing. I have the highest regard for the Minister of Agriculture. I do not believe there is a man in Canada to-day who has a better knowledge of agricultural problems. I cannot, however, follow him in this policy which he is asking the people to accept. As the leader of the opposition has said, wheat is not a war casualty. It will be remembered that wheat was bonused away back in 1932 or 1933, under the Bennett regime.

Mr. HANSON (York-Sunbury): A bonus of five cents a bushel was provided in 1931 when there was a short crop.

Mr. MacKENZIE (Lambton-Kent): That was the start of wheat bonusing in western Canada. Apparently the old law of supply and demand worked no longer and it was necessary to bolster up wheat. In 1935 the wheat board act was passed just prior to the general election. That act gave authority to the government to set the price of wheat at Fort William. In 1935, 1936 and 1937 there were partial crop failures; in those years the west did not produce its usual good crops. If the west had continued to produce its usual crops, the wheat problem would be much greater to-day than it is.

In 1938 the wheat crop of western Canada was approximately 340,000,000 bushels, and in that year the price was pegged at eighty cents a bushel in an endeavour to market the wheat. It has been said that this cost the Canadian people $62,000,000. I thought it was nearer to $60,000,000, but when one is dealing with millions, one or two do not mean much. In 1939 the provisions of the wheat board act were enlarged to take in the eastern provinces, with which move I was in favour. This did not, however, work out so well from the point of view of Ontario. I object to the way in which the Ontario wheat crop has been handled through the wheat board. I think the main reason for this is the fact that this board is governed mainly by the Winnipeg board. Mr. McIvor does not understand Ontario problems or Ontario wheat or marketing. I will admit that the Ontario crop is only a small item, running from 22,000,000 to 25,000,000 bushels. During August, 1939, they took delivery of wheat through the wheat board and paid 53½ cents a bushel. They sold almost half of that wheat directly to the millers at a loss. If they had put it in storage, had storage been available, we would have had a much better price for Ontario wheat than we got. The same thing happenned in 1940. The wheat board act as it applies to Ontario is far from satisfactory.

Mr. GARDINER: It has been the opinion of those who are most familiar with the wheat question that it is a mistake to have eastern Canadian wheat under the wheat board, but the government at the time was asked to include it in the hope that something good might come out of it. I should like to know if eastern agricultural members particularly are still of the opinion that Ontario wheat should be left under the act.

Mr. MacKENZIE (Lambton-Kent): I am speaking only for myself, but I say that if the eastern provinces are going to stay under the wheat board act, they should have a wheat selling organization of their own and it should be directed from Ontario as an Ontario problem. It might be worked in conjunction with the wheat board act.

Mr. MARTIN: Why not a separate board altogether?

Mr. MacKENZIE (Lambton-Kent): There should be a separate board altogether to handle wheat, because under the present system it has been badly handled. It is not satisfactory to the wheat grower.

Mr. MacNICOL: What about taking it from under the wheat board altogether?

Mr. MacKENZIE (Lambton-Kent): Either take it out altogether, or have a separate selling agency in conjunction with the wheat board. It should be operated as an Ontario problem. In 1939 the wheat crop was approximately 450,000,000 bushels, and the farmers in western Canada were then asked to reduce their wheat acreage. There was a wheat problem. There were evidently no sales for the product. Instead of reducing the wheat acreage, however, they increased it by approximately 2,000,000 acres. In 1940 we find that we had a crop of approximately 560,000,000 bushels of wheat, so that in July of this year we shall have a carryover of approximately 580,000,000 bushels of wheat; and, according to the Minister of Trade and Commerce, in the statement he gave, if we have a normal crop of wheat we shall have around 1,000,000,000 bushels of wheat to deal with from a Canadian point of view.

The great bulk of the wheat has been marketed this year to the wheat board. My good friend the hon. member for Moose Jaw (Mr. Ross) remarked that the west had a good many other lines of industry besides wheat, and I quite agree with him. In the bulletins issued by the department, marketing division, a statement was given a short time ago with regard to the hogs that were delivered from January 1 to March 20. We find that from January to March, taking the dates stated, the number in Alberta was 317,000; in Saskatchewan 112,000, and in Manitoba, 267,000. In other words, we had a total from western Canada of about 698,000; and in Ontario, Quebec and the maritime provinces, 607,000. Therefore, at the moment the west is marketing almost 60 per cent of the hogs in the dominion.

In the cattle sections we find almost the same situation. During the same period, from January 1 to March 20, cattle marketed in Winnipeg, Calgary, Edmonton and Regina totalled 70,068, and from Toronto and Montreal there were marketed 70,029; so that in

the cattle division they certainly have a large income in the western provinces apart from what is derived from wheat.

According to the records we have, hogs and other live stock shipped direct to the plants were approximately in the same proportion as those sold in the open market, and the shipments in the fall were much higher. It is quite evident, therefore, that wheat is not the only source of income of the western provinces. According to the figures we have, they grew last year about 27,000,000 acres of wheat. If I am wrong I wish to be corrected, but I believe that is approximately right. Under the proposed reduction of wheat acreage it is the intention to take out of wheat approximately 9,000,000 acres, either by summer-fallow or seeding to grasses or to coarse grains. If 9,000,000 acres are put under summer-fallow, that will mean approximately $36,000,000; and if 3,000,000 acres go to coarse grains, that will mean that coarse grains will be bonused to the tune of $6,000,000. When, therefore, the hon. member for Moose Jaw says that this really does not mean anything at all, I say that if it does not mean anything to grow hogs and cattle, and to be in the dairy industry to the extent that he claims—and I have the figures—then they certainly do not need the subsidy to enable them to grow coarse grains.

They are already producing a good many hogs and, if they have a subsidy of $6,000,000 to help in connection with coarse grains, it will undoubtedly give them a greater advantage to that extent in the hog market. Last year, under the agreement with Great Britain, we sold 290,000,000 pounds of bacon. This year, according to the agreement, we have approximately 425,000,000 pounds of bacon to go to Britain. At the present rate there will be an increase of around 35 per cent in hog marketing over the same period last year, and if that continues throughout the year we shall have an exportable surplus of bacon of around 550,000,000 pounds.

The result is that we shall have on our hands a problem that will be greater than that which faces us in connection with wheat I am opposed to it on general principles. I do not think it is fair to the rest of Canada. I go further than some of my friends and say that I am opposed to summer-fallowing. I do not believe that the farmers should be bonused not to grow wheat, or to grow coarse grains. Personally I would consent to grass seeding because there is some virtue in that, and if more land went into grass it would relieve the situation to a considerable extent. More than that, in my own province of Ontario, some of the very best land we have is seeded down to grass for the simple reason that it does not pay to cultivate it. I am speaking for Ontario when I say that we have approximately about 200,000 farmers. According to the bureau of statistics, forty per cent of the farms in Ontario are mortgaged, the approximate value of each mortgage being $3,000.

Mr. CASTLEDEN: What is the percentage in Saskatchewan?

Mr. MacKENZIE (Lambton-Kent): The percentage in Saskatchewan, according to the bureau of statistics, is approximately the same, and the amount of mortgage on each farm is also about the same; it is very little more. The only difference is that a unit which in Ontario would be regarded as average would be 100 acres, whereas a unit in the west would be 320 acres, and on that basis the mortgages per unit are not much different. Saskatchewan might be a little higher.

Mr. EVANS: Has the hon. member any idea of the difference in farm value per acre between Ontario and Saskatchewan farms?

Mr. MacKENZIE (Lambton-Kent): I do not know about the difference in value, but taxes are higher per acre in Ontario than in the west.

Mr. CRUICKSHANK: Will the hon. member compare taxes in British Columbia with those in Ontario?

Mr. MacKENZIE (Lambton-Kent): I do not know about British Columbia. According to the set-up we have this year, the carrying charges set by the Minister of Trade and Commerce to carry in store the wheat that they have taken over, will amount to approximately $57,000,000. The amount of money under this vote would be approximately $36,000,000; it may be a great deal more. The amount spent the last two or three years, last year particularly, under the Prairie Farm Assistance Act and the Prairie Farm Rehabilitation Act is approximately $22,000,000. Therefore we have a grand total going into western Canada—I do not care whether you call it subsidy or what—of from $115,000,000 to $125,000,000. If you divide that by the 250,000 wheat farmers there are in the west—I do not think there are any more than that although, according to the 1936 census, there were 290,000, but I think it is fair to say 250,000—you have approximately $500 as a bonus for each farmer in western Canada.

Approximately fifty per cent of that tax is paid by Ontario. So how can I go back to my farmers in Ontario whom I represent and say to them, "You are carrying, forty per cent of you, a mortgage averaging $3,000 each, and you have to contribute to a bonus of $500 to each wheat farmer in western Canada." I cannot do that. I do not think it is fair.

The hon. member for Moose Jaw said this was just part of a national policy, that the

east owes it to the west as part of the price that we draw from the tariff. But the 200,000 farmers in Ontario are living under the very same tariff as western Canada; the only difference is the cost of freight.

It has been said many times that there are many war industries in Ontario which employ a great deal of labour, and this means much money in circulation. That is probably true. The hon. leader of the opposition suggested that they are not getting enough war industries in the maritimes. All I can say from the farmer's point of view is that he has his work planned out, his dairy routine, his crop rotation, and instead of an asset the war industry situation is a definite and positive handicap, because he has to compete with these high wages for labour and is finding it a very hard struggle.

Mr. FAIR: Then where is his problem?

Mr. MacKENZIE (Lambton-Kent): The problem is this, and I am going to talk on this at some time in the near future. Let me tell our western friends that in Canada we produce approximately 210 million pounds of sugar, and of that at least half was produced in western Canada. They have the home market there due to the protection of the freight haul, and they get approximately $1 a ton more for beets than we in eastern Canada. We have many crops in Ontario that might be called specialized lines of farming; we have tobacco, corn, beans, sugar beets and many more. But they are only small, although in the aggregate they mean a great deal. If they are strictly speaking Ontario's concern, then by the same line of reasoning wheat must surely be a western concern. The west, however, has many problems. This matter should be looked upon as an agricultural problem as a whole and worked out as a whole.

I would not hazard even a guess as to what the future of wheat will be; nobody knows. Do not forget that, so far as wheat is concerned, continental Europe was self-supporting prior to the war, and may be self-supporting after the war. I believe we should maintain a big wheat supply and have it available, but we cannot continue to pile up wheat at the expense of the dominion government. The whole question of agriculture should be considered as a whole. Therefore I naturally oppose this item. I believe the whole problem should be submitted to the agriculture committee for further suggestions.

Mr. GARDINER: This debate has been going on since some time yesterday, and a certain amount of information has been placed on the record. There is a little more which I should like to add to what I gave yesterday, more in the way of completing figures given or correcting some in order that hon. members may have the information provided this estimate does not go through this afternoon.

In the first place I should like to place on the record the figures regarding the export of wheat and wheat flour from Canada over a period of years dating back to 1925-26. I will read a sufficient number of figures to indicate the argument involved, and the table can be placed on *Hansard*.

In the period from 1925-26 to 1930-31, six years, the average exports of wheat from Canada were 300 million bushels a year.

For the next five-year period, from 1931-32 to 1935-36 the average export was 217 million bushels.

For the past four years for which we have the record—that is, leaving out the year we are now in—the average export has been 166 million bushels.

I give these figures to indicate that there has been a marked change in the situation from 1925-26 to the present, and to strengthen the argument which I presented yesterday to the effect that the approach of the war, the preparation for it and the final coming of it had a definite effect on the export of wheat from Canada to other countries.

The complete figures are as follows:

Exports of Canadian Wheat
Crop Years 1925-26 to 1939-40

Crop years	Wheat and flour exports (thousand bushels)
1925-26	324,592
1926-27	292,881
1927-28	332,963
1928-29	407,564
1929-30	186,267
1930-31	258,694
1931-32	207,030
1932-33	264,304
1933-34	194,780
1934-35	165,751
1935-36	254,425
1936-37	195,224
1937-38	92,957
1938-39	166,959
1939-40	207,897

Average exports—
1925-26–1930-31, 300 million bushels.
1931-32–1935-36, 217 million bushels.
1937-38–1939-40, 166 million bushels.

Two points of view have been expressed in opposition to the vote proposed, one of them coming largely from western members—more by way of suggestion than of direct opposition—and the other coming from members from the eastern part of Canada. The discussion which has taken place is only further proof of the fact that it is most difficult, in a country so far-flung as ours, to legislate with regard to an industry which is to be found in every

province and have that legislation entirely satisfactory to every province. It is almost impossible to deal with any phase of agriculture in Canada by legislation or by a vote of this house and make it apply to all the provinces and have them all satisfied.

Mr. HANSON (York-Sunbury): May I interrupt to say that that shows how difficult it is to govern Canada.

Mr. GARDINER: Yes; it is one indication that Canada is difficult to govern. It is the reason, I think, why the only system under which Canada could remain a united country or under which the United States of America have been able to remain a united country is a federated system, that makes it possible in connection with certain matters to take slightly different action in one part of the country from what is done in another. For that reason quite a number of the problems which have been referred to during this discussion properly should be dealt with, in part at least, by the provincial governments. They have been giving assistance in certain directions in connection with agriculture; and what we do here alone cannot settle the problems which confront the people of Canada in relation to these different matters. It is difficult to do even those things we feel compelled to do, in a national way, in a manner that will give help to people in one section of the country without injuring those in other sections.

The western point of view, in so far as it has been critical, has been that this provision does not give the farmer of the west the same return he obtained last year, or even the year before, as a result of being able to sell his product, particularly wheat, even at the comparatively low advance the government found it possible to make. For example, the figures I have here indicate that in 1939 the return to the farmers of the three provinces particularly concerned with this legislation was approximately $336,000,000, while last year it was about $326,000,000, and over the last fifteen years it has been about $325,000,000 on the average. During quite a number of those years we were far below a return which made it possible for people to maintain themselves without receiving a great deal of relief.

Therefore, looking at the picture from that point of view, I do not think we are asking the committee or the people of Canada to do anything unreasonable under this policy which, so far as it has been enunciated up to the present, makes possible a return to the western farmers of only $300,000,000. It is our hope that by having the policy varied in one way or another in the matter of administration, in connection with either the part under my department or the part under the Department of Trade and Commerce, we may be able to bring that figure up to $325,000,000. At present, however, the figure is only $300,000,000, unless provision is made for an increase of $15,000,000 in farm produce other than wheat, which would be equal to the increase between 1939 and 1940 in connection with such produce. In other words, if this year there happens to be as great an increase in the returns from products other than wheat as there was last year, the total amount made available under the policy as it exists at present will be $315,000,000, leaving still another $10,000,000 to be found somewhere in order to bring the total return up to the average during the last fifteen years. That does not make any allowance for the fact that the cost of living is higher in western Canada, as in all Canada, than it was during the period of time for which that average is taken. Therefore I think it can be agreed that the amount of money which will be made available is not more than the house would be prepared to vote, by one method or another, in order to take care of that section of agriculture which has been injured by the position of the wheat market.

The objection from eastern Canada, as it has been expressed in this house up to the present, I think is to the effect that the greater production of coarse grains under the proposed policy will interfere with the sale of live stock and live stock products in eastern Canada; or, in other words, that, as a result of this policy, western farmers will come into competition with eastern farmers. A few moments ago the hon. member for Moose Jaw dealt with that situation and brought out the point that there had been a marked increase in the production of live stock and live stock products in western Canada before this policy was even discussed.

In that connection I have some figures which I think I should mention, particularly for the consideration of my hon. friends from Ontario. The number of hogs marketed in Saskatchewan in 1936 was 570,000; in 1940 it was 648,000. That represents an increase of only 13·7 per cent over our previous high year; and the only reason why the figures were lower in the interval was that one year we did not grow any grain, and we had to dispose of practically all our live stock. As a matter of fact, the Department of Agriculture went into Saskatchewan, bought the live stock, shipped it out and sold it. In the natural course of events that branch of agriculture had to come back; and if the number of hogs marketed last year was increased, that was not because of any policy put in force by this or any other government; it was because we grew grain in 1938

and 1939, and we did not grow grain in 1937. Our total increase would have been much greater than 13·7 per cent, even in the natural course of events, if it had not been for the crop failures which intervened.

When we come to Manitoba we find that their highest year previously was 1939, when they had 327,000 hogs delivered. In 1940 that number increased to 510,000. That represents an increase of 56 per cent. In Alberta the previous high year was 1936, when they marketed 1,039,000 hogs. Last year that increased to 1,485,000, or an increase of 42·9 per cent. When we come to Ontario we find that the highest previous year was 1937, with 1,785,000 hogs delivered. In 1940 that number increased to 2,191,000, or an increase of 24·6 per cent. In the province of Quebec the previous high year also was 1937, when 342,000 hogs were delivered. Last year deliveries amounted to 524,000, representing an increase of 53 per cent. I could go right across the country and give the figures, but I think I have indicated the point I am trying to stress, which is that there was an increase before this policy was ever announced, when we were growing more wheat and less coarse grains. The figures are as follows:

Hog Marketings by Provinces
(Number of head)

	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
1936.....	38,195	2,501	14,269	251,490	1,613,162	267,856	570,013	1,039,466	....	3,796,952
1937.....	44,292	5,991	22,459	342,912	1,758,351	255,646	569,723	986,206	....	3,986,397
1938.....	46,520	8,356	26,035	283,067	1,631,473	250,055	217,152	782,857	....	3,245,535
1939.....	48,389	6,524	27,402	336,525	1,666,991	327,212	312,188	979,898	....	3,706,179
1940.....	53,982	5,974	29,658	524,498	2,191,456	510,789	648,938	1,485,382	6,167	5,456,844

Increase 1940 over previous high year—

P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
5,593	−2,382	2,256	181,586	433,105	183,577	78,925	445,916	....	1,470,447

Per cent increase—

P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
11.6	−26.0	8.2	53.0	24.6	56.1	13.7	42.9	....	36.9

Source: Annual Live Stock Market Review, Department of Agriculture.

The point as to whether you feed hogs coarse grain or wheat does not enter into the question. The grain is there; wheat is there; rye is there. There is a shortage of barley and of oats, but the hogs can be fed wheat and rye, as far as the market is concerned, just as effectively as they can be fed coarse grains, although whether or not the bacon is quite as good I would not care to say. In other words, the fact that the production of coarse grains in western Canada will be increased will not bring about an increase in the number of hogs, any more than the fact that wheat is being stored in the west to-day would increase that number.

There is, however, one point that has been entirely left out of consideration. The leader of the opposition made reference to the fact that the governments of the eastern provinces had asked the federal government to ship or assist in shipping grain from west to east. The request that was made was not for the shipment of coarse grains, but for the shipment of wheat. The double argument was used that the wheat would be useful in producing live stock in the east, and relieve the storage of wheat in western Canada. The proposal made by those governments was that the federal government should deliver that wheat at a cost of fifty cents a bushel, paying half the freight, in addition to delivering it at fifty cents a bushel from Fort William into eastern Canada. That meant that the dominion government was asked to take twenty cents a bushel or, if you like, to bonus the shipment of wheat to eastern Canada at twenty cents a bushel.

Mr. HANSON (York-Sunbury): Did it mean that?—because that is the No. 1 price.

Mr. GARDINER: That is what it averaged up to. I have all the figures, but at this time I do not wish to take the time to put them on record. That, however, was the request.

Mr. HANSON (York-Sunbury): I do not think that is quite correct.

Mr. GARDINER: We substituted the suggestion that we were prepared to pay half the freight, provided the provincial governments would do likewise, on feed grains, whether it was on feed wheat or other grains.

As a matter of fact, in answer to what was said, there is very little feed wheat. That is the real reason why we could not have got 10,000,000 bushels. There is very little feed wheat to be found in the elevators at Fort William. That is the reason why it would be approximately twenty cents a bushel, when you figure it out on an average.

But the coarse grains are there, and it was thought that with feed wheat, barley, rye and oats, there could be secured approximately 6,000,000 bushels, and that by adding in some high-grade wheat it could be brought up to 8,000,000 bushels, and be shipped to Ontario, the two governments paying half the freight. Only one province has taken that up.

Mr. HANSON (York-Sunbury): Which one?

Mr. GARDINER: Ontario. We are paying to Ontario now half the freight on the feed grain which is being shipped from Fort William to feed the live stock in Ontario. That amounts to almost exactly the same per bushel as we are proposing to pay on the amount of coarse grain which is taken out of wheat—presuming that a farmer grows fifty bushels to the acre—and sown into coarse grains.

A point I would suggest to hon. members is that this policy will not, so far as we can see at the present time, influence one way or the other the production of live stock in western Canada. The thing that surprises me is that members from eastern Canada have not opposed the grass more strenuously than the grain. In western Canada we do not produce milk to any extent from feeding grain. It is too cold at the time we feed grain. In western Canada we produce milk from feeding grass. One has to have a fairly complete knowledge of farming conditions right across Canada in order to be concerned about some of the things which may happen as a result of putting into effect a certain policy.

I would therefore suggest to hon. members that from the beginning of the war we have been approaching this question from this point of view: We have been watching the development in connection with different branches of agriculture and in different sections of Canada. Up to date I think it will be agreed that when a real problem confronted the apple people, we dealt with it. An hon. member has said that a real problem confronts the potato growers, and that we have not dealt with it. One of the reasons why we have not dealt with it is that it has not been demonstrated to us that the war has made any difference in connection with the potato marketing problem. If it can be demonstrated to us that it has made a difference, I am sure the government will meet that problem in just the same manner as it has dealt with the problem connected with the apple crop.

Only the other day we had a delegation from the bean people. They were able to show that about one-third of their production had been marketed in Great Britain, and that to-day they are not able to market that one-third. All we ask in cases of that kind is that the individuals or areas concerned, large or small, will take the problem first—if it is all within one province—to the provincial government concerned, and lay the problem before that government, suggesting the methods by which they would like to have the matter considered. In that way the provincial government would take the responsibility for passing on to this government suggestions as to what ought to be done. I do not believe this government ought to go into Ontario and develop the production of beans by increasing the prices. We should not do that, thereby leaving a problem on the doorstep of the Ontario government.

But I do say this, that if by carrying out this policy the fears of eastern members are realized, in that we have produced too much coarse grain in western Canada, we should see to it that at least an equal advantage is given to the eastern farmer to get the use of that coarse grain—just as we have been doing this fall. If we give him an equal advantage to get the use of it, and if, as it has been said, by bonusing the farmer at so much an acre to produce so many bushels of coarse grains per acre we have made that grain available, then the grain ought to be made available to eastern farmers at a price correspondingly favourable to that at which it is made available to western farmers. We agree to that.

All I ask hon. members to do is to take for granted that what we have done in other cases will be done in this instance. When the problem arises, it will be dealt with on its merits, and it will be dealt with in a manner which will be satisfactory to the farmers in the different sections of Canada.

Mr. MacKENZIE (Lambton-Kent): If I understand the minister correctly, this arrangement of paying half the freight is only a temporary arrangement to take care of scarcity due to adverse conditions—conditions which, under normal circumstances, would not occur in Ontario.

Mr. GARDINER: No; there is not a shortage of grain in Ontario, as compared with some other years. In Ontario there is grain which has developed growths half an inch long because it was wet last fall, and could not be shipped out of the area. Shipments being made at the present time indicate that there is no great shortage of grain in Ontario. The fact that no grain has gone down into other sections is also an indication that there is no great shortage of it.

But the fact of the matter is this, that, as indicated by the figures put on record, there has been a great increase in the amount of live

stock not only in eastern Canada but in western Canada. The feeding of that live stock requires more coarse grains. If it is going to be properly fed next year, many farmers in Ontario will have to buy coarse grains, if they are going to increase their live stock production to the extent to which they indicate they are going to increase it. If we are going to be able to purchase coarse grains at prices which make possible the production of cheese, hogs, and so on, at a price which Great Britain and Canada combined can afford to pay for them —because the two governments will have to combine their financial ability to pay—we shall have to see to it that the feed is placed at the disposal of those who wish to consume it. For that reason we ought to assure ourselves that the feed is available. When we assure ourselves of that, let us see to it that the people who have live stock to feed, and have not the feed to feed them, get it at the lowest possible cost. This is what the policy has made possible.

Progress reported.

On motion of Mr. Crerar the house adjourned at 6 o'clock.

Monday, March 31, 1941.

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

POLICY WITH RESPECT TO CONTROVERSIAL BROADCASTING

Mr. GRAYDON:

1. What changes, if any, have been made in the policy of the Canadian Broadcasting Corporation with respect to controversial broadcasting since the statement of policy issued by the board of governors on July 8, 1939?

2. Has any further statement of policy been issued by the said board of governors since the aforesaid date?

3. If so, when was said statement of policy issued and by what means was it published?

Mr. HOWE: The following information furnished by the Canadian Broadcasting Corporation:

1. There has been one modification of the policy of the CBC with respect to controversial broadcasting since the statement of policy was issued by the board of governors on July 8, 1939. This modification, made at a meeting of the board on January 22, 1940, suspended paid political and controversial broadcasting on CBC stations and networks of CBC or private stations except during elections, for the duration of the war. It should be noted, however, that time for paid political and controversial broadcasting could still be purchased on single privately owned stations.

2. See answer to No. 1.

3. Political parties were informed of this change at meetings held in Ottawa during the month of January, 1940, and in Toronto during February, 1940, at which were present representatives of the Liberal, Conservative, C.C.F. and Social Credit parties together with representatives of the Canadian Association of Broadcasters and of the Canadian Broadcasting Corporation. It was also communicated to all correspondents enquiring about the matter.

HAMPTON, ONT., POST OFFICE

Mr. MacKINNON (Kootenay East):

What was the annual revenue received from the post office at Hampton, Ontario, for the years 1935 to 1940, inclusive?

Mr. MULOCK:

Fiscal year	Revenue
1934-35	$548 51
1935-36	608 46
1936-37	585 93
1937-38	632 01
1938-39	649 96
1939-40	617 75

CHEESE EXPORTS

Mr. SENN:

1. What quantity of cheese was exported from Canada during the years, (a) 1937, (b) 1938, (c) 1939 and (d) 1940?

2. What persons or what firms were exporters of cheese during each of said years?

3. Was authority given to said persons or firms to export cheese during each of these years?

4. Were applications made by any other individuals or firms for authority to export cheese?

5. Were persons or firms refused the right to export cheese during said years?

6. If so, what persons or firms, and for what reason?

Mr. GARDINER:

1. In 1937, 88,955,300 lbs.; 1938, 80,989,100 lbs.; 1939, 90,944,800 lbs.; 1940, 106,631,100 lbs.

2. In 1937, not known; 1938, not known; 1939, not known; 1940, not known previous to July 12, 1940. Since that date as follows:

A. A. Ayer Company Limited, Montreal Quebec; J. C. Edwards & Company, Montreal, Cooperative Federee de Quebec, Montreal; United Dairymen Limited, Montreal; Hodgson, Rowson & Company, Limited, Montreal; Geo. Hodge & Son Limited, Montreal; Lovell

& Christmas (Canada) Ltd., Montreal; P. W. McLagan Limited, Montreal; Olive & Dorion Limited, Montreal; W. S. Cook & Son, Belleville, Ontario; Ingersoll Cream Cheese Co. Ltd., Ingersoll; Swift Canadian Company Limited, Toronto; Belleville Cheddar Cheese Limited, Belleville; Canada Packers Limited, Toronto; Jas. A. Sanderson, Oxford Station; Whyte Packing Company Limited, Stratford; Burns & Company, Winnipeg, Manitoba; Canadian Red Cross Society, Montreal; Joseph Perry, Kemptville, Corvell Bros. Limited, Charlottetown, P.E.I.; Chateau Cheese Company Ltd., Ottawa; R. B. Coldwell Limited, Halifax, Nova Scotia; Hugh G. Cooke, Kingston, Ontario; Davis & Fraser, Halifax, Nova Scotia; Fowler's Canadian Company Ltd., Hamilton, Ontario; Fraser Valley Milk Producers Assn., Vancouver, B.C.; Fromagerie de la Trappe, Oka, Quebec, G. H. Hammond Company (Canada) Ltd., Toronto; Island Cold Storage Co. Ltd., Charlottetown, P.E.I., Kraft Cheese Limited, Montreal, Quebec; Lambert Cheese Limited, Montreal; Leonard Wood, Charlottetown, P.E.I.; London Cheese Products Ltd., London, Ontario; G. P. Mitchell & Son Ltd., Halifax, Nova Scotia; New Brunswick Cheese Board, Saint John, N.B.; Rowling's Limited, Halifax, Nova Scotia; J. M. Schneider Limited, Kitchener, Ontario; A. Shevell Company Reg'd, Montreal; Slawson Cheese Company Ltd., Ingersoll, Ontario; Wilsil's Limited, Montreal; Joshia Shapray Inc., Montreal; Wellington McNeill, Charlottetown, P.E.I.; Canadian Manufacturers Sales Company, Montreal, Hudson's Bay Company Ltd., Winnipeg, Manitoba; Associated Shippers Inc., Charlottetown, P.E.I.; Pietro Collarini, Loretta, Manitoba.

3. In 1937, authority not required; 1938, authority not required; 1939, authority not required; 1940, since July 12, 1940, yes.

4. In 1937, answered in question No. 3; 1938, answered in question No. 3; 1939, answered in question No. 3; 1940, yes.

5. In 1937, answered in question No. 3; 1938, answered in question No. 3; 1939, answered in question No. 3; 1940, yes.

6. Rabbi E. Kirzner, Toronto, Ontario; O. B. Richardson, Ste Agathe des Monts, Quebec; Hunters Manufacturing Company Ltd., Winnipeg; John Schretlen, Vancouver, British Columbia; MacFeeters Creamery Ltd., Toronto, Ontario; Lambert Cheese Co., Montreal, Quebec; London Cheese Products, London, Ontario; Perreault Cheese Products Ltd., Levis, Quebec; Lucerne Food Products Ltd., Hull, Quebec.

Reasons: In order to conserve the supply of cheese in Canada for export to the United Kingdom, it was necessary to control the expansion of exports, in the form of new business, to other countries.

*VOLUNTEERS FOR OVERSEAS SERVICE

Mr. FRASER (Peterborough West):

1. What are the numbers from each miiltary district in Canada of (a) officers; (b) non-commissioned officers; (c) privates, now on duty overseas?

2. What are the numbers and in what military district were they recruited, of (a) officers; (b) non-commissioned officers; (c) privates, now on duty in Canada who have volunteered for service overseas?

3. What are the numbers and in what military district were they recruited, of (a) officers; (b) non-commissioned officers; (c) privates, now on duty in Canada who have not volunteered for service overseas?

4. What are the numbers and in what military district were they recruited, of (a) officers; (b) non-commissioned officers; (c) privates, now on duty in Canada who are medically unfit for service overseas?

5. What are the numbers and in what military district were they recruited, of (a) officers; (b) non-commissioned officers; (c) privates, now on duty in Canada who are medically fit and who have not volunteered for service overseas?

Mr. HANSON (York-Sunbury): I said that this question could be dropped.

Mr. RALSTON: I was going to refer my hon. friend, on a portion of the question, to a return to order of the house No. 87, tabled March 26, moved by Mr. Cockeram. I believe that that will give the hon. gentleman about all the information which, in the public interest, can be given now, or which otherwise would require a great deal of research and the examination of a large number of attestations.

ST. LAWRENCE WATERWAY

Mr. LACOMBE:

Does the sum of $14,011,000, mentioned under item 15 of the St. Lawrence waterways estimates, cover the acquisition of lands now under cultivation or industrial districts?

Mr. MACKENZIE KING: The sum of $14,011,000 mentioned under item 15, St. Lawrence waterway estimates, provides for the acquisition of all lands, improvements, etc., required for the St. Lawrence waterway project on the Canadian side of the international boundary in the international rapids section, exclusive of the villages of Morrisburg and Iroquois which are provided for separately under items 12 and 13 of the estimates.

*EXPORTS TO JAPAN

Mr. STOKES:

1. What commodities are represented by the figure $572,000 exports sent to Japan, during the two months ending February, 1941?

2. What is the value of each such commodity?

Mr. MacKINNON (Edmonton West): I wish to advise that at the present time it is regarded as not in the public interest to give this information.

Mr. SPEAKER: Dropped.

Mr. HOMUTH: Oh, no.

Mr. HANSON (York-Sunbury): I protest against the minister's statement, Mr. Speaker. We shall have to have a little more reason for the refusal.

Mr. MacKINNON (Edmonton West): The policy of the department has been, since shortly after the commencement of the war, not to give answers to anybody in connection with these shipments, because information would thus be given to people who are not entitled to it.

Mr. HANSON (York-Sunbury): But what about the Canadian people?

Mr. MacKINNON (Edmonton West): If it could be given to the Canadian people without being known elsewhere, we should be very happy to do it.

Mr. HANSON (York-Sunbury): You think that the others don't know?

Question dropped.

FEED GRAIN FOR ONTARIO FARMERS

Mr. AYLESWORTH:

1. How much feed grain has been brought into Ontario pursuant to order in council P.C. 497?

2. Have Ontario farmers been required to pay a higher price for feed grain than the current market price at the head of the lakes?

3. If so, for what reason?

Mr. GARDINER:

1. Complete report not received from Ontario.

2 and 3. Answered by No. 1.

INVERNESS COUNTY, N.S., MAIL SERVICE

Mr. BLACK (Cumberland):

1. When were tenders last called for carrying the mail between Upper South West Marlow and Glencoe station, Inverness county, Nova Scotia?

2. What are the names of those who tendered and the amount of their respective tenders?

3. To whom was the contract let and at what price?

4. On whose recommendation was the contract let?

5. Is the contractor sixty years of age or over?

6. Were there any complaints with respect to service rendered by previous contractor?

[Mr. Stokes.]

Mr. MULOCK:

1. October, 1940.

2. Alex. John Beaton—$275 per annum. As this rate was considered high the tenderer was given an opportunity to modify his tender but refused. Later, an offer was received from Duncan Gillis of Upper South West Mabou at $240.

3. Duncan Gillis at $240 per annum—contract dating from 1st January, 1941.

4. No recommendation received. Contract was awarded at the lowest rate available.

5. Yes.

6. No. Public tenders were invited, as the then existing contract was due to expire 31st December, 1940.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BOUNDARY BAY, B.C., AIR FIELD

Mr. MacINNIS:

1. Were tenders called for the construction work at the airfield at Boundary Bay, British Columbia?

2. If not, how was the work done?

3. If the work was done by contract, (a) who was the successful tenderer; (b) what was the total cost of the work?

4. If more than one contract, (a) who was the contractor in each case; (b) what was the total price of each contract?

CANADIAN ARMY PAY AND ALLOWANCES

Mr. LaCROIX (Quebec-Montmorency):

1. What is the regular pay of officers of various ranks in the army, the navy and the air force?

2. What is the total family allowance, the allowance for lodgings and other supplementary allowances to the various ranks, and what other subsidiary allowances are there, if any?

3. What is the total number of commissioned officers in the army, and what is the total number of soldiers in (a) active service; (b) reserve army?

4. Is pay of soldiers on active service and in the reserve subject to the income tax?

5. Do officers on special duty receive allowances or supplementary pay in addition to their regular pay?

MOTIONS FOR PAPERS

PLACE OF BIRTH OF CIVIL SERVANTS

Mr. BLACKMORE:

For a return showing the number of civil servants whose place of birth was Saskatchewan, Alberta, British Columbia, Nova Scotia, New Brunswick and Prince Edward Island, as shown by a census of civil servants taken between 1931 and 1938.

Mr. MICHAUD: On behalf of the Secretary of State I am requested to inform the hon. member that he is assuming facts which are

not as he thinks they are. For example, he is assuming that a certain census of the civil service gives some information, and so states in his question. I am informed that the census referred to does not give the place of birth of civil servants by provinces. The motion, therefore, will have to be either amended or dropped.

Mr. SPEAKER: Dropped.

Mr. MACKENZIE KING: May I add just a word in regard to motions of this kind? While the government should be expected to give information on matters which are not readily ascertainable from public records and public documents, it is hardly reasonable to expect that the government should provide the means of collecting information for private members out of available documents. I hope that hon. members will not feel that their full rights and privileges are being in any way infringed if, where a return is requested for information which is already in public documents, the government refers hon. members to the documents themselves.

Mr. HANSON (York-Sunbury): Is the Prime Minister not carrying that principle just a little too far? Private members come into the house for the first time, say, after an election and they do not know where to turn for these things. The first thing they think of is putting a question on the order paper, and we have civil servants in the country who know where they can place their hands on the information required. I do suggest that it would be taking away from private members the privilege they now have of getting information in this way. I should like to know what the rule is with regard to it—not the interpretation of the rule. Some rule should be laid down which everyone could understand. At the present time, so far as I know, there is no definite rule.

Mr. MACKENZIE KING: I am certain the rule is that the government must be the judge of what it gives and what it withholds.

Mr. HANSON (York-Sunbury): That is a question of public interest, not of convenience.

Mr. MACKENZIE KING: It is an important matter. The government has the responsibility, among other things, of protecting the treasury, and to have the government ask civil servants to go through a lot of documents and collect information for individual members just because the members are unwilling to take the necessary time to look up the information for themselves is something which I do not think the public would consider justifiable. There could not be a better illustration than the request before us. It is equivalent to saying "Will some one or more civil servants go through some census returns in order to make certain calculations and deductions for an individual member who wishes to have them." Civil servants are fully engaged at the present time with extra duties and to have them taken off their regular or special work simply to do some calculating for an individual member is something which should not, I think, be expected either of them or of the government.

Mr. SPEAKER: Dropped.

HOEY, SASK., POSTMASTERSHIP

Mr. COLDWELL:

For a copy of all correspondence and other documents in possession of the department relating to the dismissal of the postmaster at Hoey, Saskatchewan, in 1939, and the appointment of his successor.

KUROKI-SUB ROSA, SASK., MAIL SERVICE

Mr. NICHOLSON:

For a copy of all correspondence, reports and other documents in the possession of the Post Office Department, relative to the transferring of the mail route from Kuroki, to Sub Rosa, Saskatchewan, and from Margo to Sub Rosa, Saskatchewan, during the years 1938, 1939 and 1940.

Mr. MULOCK: Provided the hon. member does not want the reports of the officials of the department, it is quite satisfactory that this motion should carry. It may be amended to that extent.

Mr. SPEAKER: Carried as amended.

TORONTO—TAX COLLECTIONS AND POSTAL RECEIPTS

Mr. CHURCH:

For a statement, for the last year of record, showing the amount collected at the Toronto customs house or the port of West Toronto from, (a) customs receipts; (b) excise duties and taxes; (c) sales tax; (d) other taxes imposed under the Special War Revenue Act; (e) other federal levies, if any. Also a statement for the same period of the amount collected at the district income tax office, Toronto, and the amount of postal receipts in the city of Toronto.

DAFOE, SASK., AIRPORT

Mr. DIEFENBAKER:

For a copy of all correspondence, reports, telegrams, memoranda and other documents in possession of the government in connection with the establishment of an airport at Dafoe, Saskatchewan, and in particular with regard to the supply of water for said airport.

POLICY WITH RESPECT TO CONTROVERSIAL BROADCASTS

Mr. GRAYDON:

For a copy of any rulings, orders, regulations, or statements of policy made to the government by the board of governors of the Canadian Broadcasting Corporation, or the general manager or other official thereof, since January 1, 1939, with respect to political or controversial broadcasting.

MUNITIONS AND SUPPLY—OIL CONTROL

Mr. CASTLEDEN:

For a return showing:

1. The names and addresses of all persons employed in the oil controller's branch of the Department of Munitions and Supply.
2. The qualifications and experience of each of these persons.
3. The salary and allowances paid to each of these employees.

Mr. HOWE: This information was tabled on March 10, in answer to a question of the hon. member for Eglinton (Mr. Hoblitzell), passed as an order for return.

Mr. SPEAKER: Dropped.

UNEMPLOYMENT

Mr. CASTLEDEN:

For a return showing:

1. The latest figures on unemployed.
2. The names of places in Canada where there is a shortage of labour.
3. The extent of that shortage for, (a) skilled labour; (b) unskilled labour; (c) farm labour.

LOANS TO PROVINCES—BRITISH COLUMBIA

Mr. BENCE:

For a copy of all letters, telegrams, memoranda, or other documents exchanged between the Prime Minister or the Minister of Finance and the premier or Minister of Finance of British Columbia since March 17, 1941, with reference to the request of the dominion government that steps be taken to pay off or reduce the outstanding obligations to the dominion of the province of British Columbia.

SUGAR

INCREASE IN PRICE AT REFINERY BY ONE CENT A POUND

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I desire to direct a question to the Minister of Finance. The newspapers this morning carried the definite announcement that the price of sugar had been advanced at the refineries by one cent per pound, making the standard price to retailers $7.15 per hundredweight, or approximately $8 to the consumer. There were two previous increases—one half cent in October 1939, and ·35 of one cent in May 1940, the three together making a total of 1·85 cents per pound since the war began. I understand that none of these increases go to the refiners; therefore they all must go either to the government or to government agencies.

I desire to ask the minister what is the justification for this increase. The position should be given more clarification. Specifically, has the cost of raw sugars increased since the war started? If so, how much? Have freight and war insurance rates increased since the war started? If so, how much? What was the total amount received by the sugar controller from the ·35 cent increase in May last, and did the amount inure to the benefit of the treasury? Or, if not, to what government agency; and if to some agency, for what purpose?

Finally, how much of the total increase of 1·85 cents per pound is tax, having regard to the fact that there is already in existence an excise tax of one cent per pound? It would appear to me that the total tax will now approximate 2½ cents per pound, or over $25,000,000 annually. I think the minister should give to the house, not to the newspapers, a clarification of the whole position.

Hon. J. L. ILSLEY (Minister of Finance): I received notice of this question just as I was coming into the chamber, and I am not in a position to answer the numerous points that are raised by the leader of the opposition. However, I will bring them to the attention of my colleague the Minister of Labour (Mr. McLarty), in whose department the war-time prices and trade board functions.

The part that I might be expected to answer is the part relating to the price rise this morning. That price rise had to be announced publicly yesterday by notice to the newspapers. It could not wait for the meeting of the house, because there are certain announcements the timing of which is extremely important from the point of view of how much will be charged for commodities, and so forth.

The reason I requested the war-time prices and trade board to see that the price of sugar was increased one dollar and that that increase accrued to the benefit of the government was that large buying of sugar was taking place in anticipation of the budget, and that buying was gathering momentum. In the event of action being taken at the time of the budget it would mean that large fortuitous profits would come to speculators in sugar unless something of this kind was done.

Mr. HANSON (York-Sunbury): If there was no new tax it would not help them.

Mr. ILSLEY: The hon. gentleman is correct about that.

Mr. HANSON (York-Sunbury): There must have been a leak.

Mr. ILSLEY: This agency existed, and the power existed for doing it in this way—I am very glad it did—so that this action was taken.

Hon. N. A. McLARTY (Minister of Labour): I had no notice whatever of the question asked by the leader of the opposition. But, speaking purely from recollection, I would say there have been two increases in the price of sugar, one on October 3, 1939, and the other on May 21, 1940. I should like to have definite information as to the exact amount of the increases, although I think that in the first instance it amounted to half a cent a pound and in the second to one-third of a cent. I can tell my hon. friend that the increase of one-third of a cent was on account of the increased price the British sugar controller was required to pay under the terms of the sugar agreement with the various dominions and colonies of the British empire.

Had I had a few minutes' notice I should have been able to answer more specifically. I have given the best answer I can from recollection, and shall be glad later to answer further.

Mr. HANSON (York-Sunbury): What became of the one-third cent per pound, and how much did it amount to?

Mr. McLARTY: I can answer that now. I am glad the hon. leader of the opposition raised that question, because it is one with which I am familiar. The reason for the rise in price of raw sugar was the advice received from the British sugar controller that he was required to pay more for the sugar he purchased from the various dominions and colonies of the British empire. It was realized that as soon as this became known it would become public property and there would necessarily be a rise in the price of sugar; the additional cost would be anticipated and it would mean a tremendous inventory profit to the sugar refiners of Canada. I think the hon. member for Rosetown-Biggar (Mr. Coldwell) referred to that. In order that this condition might be avoided, at five or six o'clock on the night of May 20, 1940, the sugar administrator bought the sugar from the refineries and the next morning at ten o'clock sold it back to them at the increased price. The difference between the purchase price and the price at which it was resold will go into the sugar stabilization fund and eventually into the treasury of Canada.

Mr. HANSON (York-Sunbury): Just another tax on the people.

Mr. McLARTY: I suppose this is not the place to debate it, but would not the tax have been greater if instead of taking that action the refiners themselves had obtained the inventory profit which would otherwise be involved?

Mr. HANSON (York-Sunbury): What is the war-time prices and trade board for? Is there not authority to hold the price down until it has to be revised?

Mr. McLARTY: Oh, yes; but if they had not taken that action the refineries would have received a profit on the inventories held by them which they had purchased and which we repurchased from them at the old price and resold to them at the additional price. It would be a tax on sugar the benefit of which would go to the refiners of Canada if the action which was taken had not been taken.

Mr. HANSON (York-Sunbury): But the board could keep the price down. It is not a tax on sugar; it is a tax on the people.

Mr. KARL K. HOMUTH (Waterloo South): In view of the statement of the Minister of Finance that there were large purchases of sugar, and, of an article I saw in the press the other day to the effect that there had been exceptionally large purchases of sugar by the wholesalers; and in view of what the Minister of Labour has said, and also the Minister of Finance, that this decision had to be taken so suddenly—

Some hon. MEMBERS: Order.

Mr. HOMUTH: I am quite in order. I know as much about the procedure in this house as hon. members opposite. I want to ask the Minister of Labour what provision has been made to protect the people of Canada against an increase in the price of sugar now being held by wholesalers and others in Canada.

Mr. ROWE: And retailers.

Mr. ILSLEY: The extent of abnormal buying perhaps is not as great as the hon. member has in mind.

Mr. HANSON (York-Sunbury): I suppose it was only threatened.

Mr. HOMUTH: It was more than a threat.

Mr. ILSLEY: Yes, there was some. But the possibility of recapturing for the treasury any profit which might be made on the abnormal amount has been very carefully canvassed at considerable length, and it appears to be administratively impossible.

Some few persons, perhaps more than a few, will get some benefit as a result of this. That happens, unfortunately, prior to some budgets.

Mr. J. H. BLACKMORE (Lethbridge): I should like to ask one or two questions of the Minister of Labour (Mr. McLarty) to make sure that I gathered an accurate impression with regard to the control of sugar prices in Canada. Am I to understand that from now on the price of sugar to consumers in Canada is to be governed by the British sugar controller?

Mr. McLARTY: Necessarily it will be influenced by the price we pay the British sugar controller for raw sugar imported into Canada. It will be controlled to that extent, yes.

Mr. BLACKMORE: What is mystifying me, Mr. Speaker, is who tells the British controller what he has to pay.

Mr. McLARTY: Perhaps this is not an opportune time to discuss the whole sugar situation, but the price the British sugar controller pays is based on the agreements he arrives at with all the sugar producing dominions and colonies in the British empire.

Mr. BLACKMORE: And is Canada numbered among those producers?

Mr. McLARTY: I do not want to curtail discussion in any way, but I must say that all these answers are being given in a very impromptu manner, without any notice whatever. I think perhaps an opportunity will be afforded of discussing the whole matter at a more appropriate time than on the orders of the day.

Mr. BLACKMORE: Will the minister be prepared to make a statement in the house with regard to this matter within a short time? I must observe, if I am in order in doing so, that there is nothing of greater interest to the Canadian people at the present time than this very matter of sugar.

Mr. McLARTY: I shall be glad to make a statement at any appropriate time the hon. gentleman wishes to ask for it.

WHEAT

REDUCTION OF FREIGHT RATES WESTWARD ON MIXED GRAIN FOR FEEDING PURPOSES

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): I should like to ask a couple of questions of the Minister of Agriculture, and I assure you, Mr. Speaker, that they are entirely non-provocative in character—in fact will have a rather soothing effect.

[Mr. Ilsley.]

A statement has appeared in the Vancouver press within the last few days that reduced freight rates have been arranged for on the higher grades of wheat from the prairies to the coast, but it was somewhat indefinitely worded. As it is a matter of very considerable importance to British Columbia, could the minister state whether this has been arranged, and if so what the new rate is, and if, as asserted in the press, it is conditional on the wheat being mixed with coarse grains, how is the purchaser to be protected? Suppose for example a farmer or dealer buys a carload of grain guaranteed to contain only twenty-five per cent coarse grains, how is he protected against having sent him a carload containing forty per cent coarse grains?

While I am on my feet I would ask whether the word "wheat" in this connection will include, as it did in the original rate on which this is apparently based, the by-products of bran and shorts? Because dairy men and farmers do not want to feed their cows a mixture of wheat, barley and oats either ground or raw, and I do not think this reduction will be of much use to the dairymen unless they can get it on bran and shorts. It will benefit the poultrymen, of course.

Hon. J. G. GARDINER (Minister of Agriculture): The hon. member was kind enough to give me a copy of his question, and I give the following answer:

Representations were made to the department that the farmers in British Columbia were finding difficulty in obtaining sufficient quantities of the lower grades of wheat to meet their needs. Under CFA tariff 145 CTC 154, grains for feeding purposes may be carried at freight rates more or less intermediate between the regular export and domestic rates on grain from the prairies to British Columbia. This rate does not include wheat of grades higher than No. 4.

Representations were made to the railways to carry, during the present emergency, the higher grades of wheat for feeding purposes at the feed grain rates. They finally agreed to carry the higher grades provided they were mixed with other grain to make it difficult to use the grain for other than feeding purposes. In addition each shipment is accompanied by a certificate from the deputy minister of agriculture for British Columbia that the grain is to be used for feeding purposes. In other words the railways will not accept the grain at the lower rates without the certificate from the deputy minister, who is supposed to satisfy himself that it will be used for feeding purposes. Under this arrangement it now will be possible for feeders in British Columbia to obtain any grade of wheat desired on the prairies, have it mixed with cereal

grains other than wheat before shipment, so that the resulting mixture when inspected will be graded by the inspector of the board of grain commissioners as mixed grain, and have it accepted and shipped by the railways at the feed grain rate.

The last question was whether bran and shorts could be included. Obviously it would be impossible to have bran and shorts included in these mixed grains; therefore it probably would be rather difficult to have bran and shorts come under these rates. But I would point out that all the ingredients of bran and shorts will be contained in the ground wheat, so that there should not be any serious difficulty about the matter so far as the general feeding of live stock is concerned. Of course where a farmer requires bran and shorts separate from the other grain, I understand that the regulation would not apply.

Mr. NEILL: The point is, of course, that bran is cheaper than wheat, and the dairyman does not want to buy an expensive feed like No. 4 wheat, when bran is a better milk producer.

Mr. BLACK (Cumberland): May I ask if these reduced freight rates will apply to feed grain shipped to the maritime provinces?

Mr. GARDINER: Already offers have been made to the maritime provinces and the eastern provinces generally, under which the government agreed to pay half the freight, which I think would have amounted to an even greater contribution than in the present case. That offer has not been accepted by the eastern provinces, and the offer to British Columbia is in substitution for what was offered to the eastern provinces.

Mr. BLACK (Cumberland): Have the maritime provinces been made the same offer that is now being applied to British Columbia?

Mr. GARDINER: No. A better offer was made to the eastern provinces, an offer which would have given them more assistance in connection with the shipping of grain.

Mr. BLACK (Cumberland): But it was not accepted?

Mr. GARDINER: It was not accepted.

Mr. CRUICKSHANK: What percentage of coarse grains must be included in the wheat to have it classified as mixed grain?

Mr. GARDINER: In the memorandum to which I have been referring the percentage is not given; but in the question put by the hon. member it was placed at 25 per cent. There was a further question as to how that was determined. The only method by which it could be determined would be by weighing the grain and determining the different proportions that would make up the weight of a bushel of grain.

RECOMMENDATIONS OF ADVISORY COMMITTEE TO THE WHEAT BOARD

On the orders of the day:

Mr. T. C. DOUGLAS (Weyburn): Last Thursday the Minister of Agriculture quoted certain recommendations from a memorandum submitted by the advisory committee of the wheat board. Under the rules of the house I wonder if that memorandum should not be tabled.

Hon. J. G. GARDINER (Minister of Agriculture): I did not quote from the memorandum; I placed on *Hansard* all the recommendations.

Mr. DOUGLAS (Weyburn): But they were contained in a memorandum, which I submit should be tabled under standing order 41.

Mr. GARDINER: The recommendations were made to a committee of council, and those recommendations were placed on *Hansard*.

Mr. DOUGLAS (Weyburn): But the memorandum was not.

STATUS OF FLAX IN CONNECTION WITH POLICY RESPECTING COARSE GRAINS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): As a result of several inquiries which I have received from people in western Canada I should like to ask the Minister of Agriculture if a decision has been made as to whether flax will be considered as a coarse grain under the proposals which the minister now has before the house.

Hon. J. G. GARDINER (Minister of Agriculture): The regulations dealing with the matter are not ready for publication as yet, since they have not been before council. I hope to have them ready to submit to council to-morrow.

CONDENSED MILK

REPORT AS TO TRANSFER TO THE UNITED STATES OF BRITISH ORDER FOR A MILLION CASES

On the orders of the day:

Mr. J. A. BLANCHETTE (Compton): Under date of Friday, March 28, the Ottawa *Evening Journal* published an editorial entitled "Farmers of the East also have their Problems," in which the following statement is made:

So great are the demands on the available supply of milk that there is a very grave danger of some form of rationing this coming summer if Britain's needs for cheese and condensed milk are to be met. Already there is talk of transferring an order for a million cases of condensed milk to the United States.

Is the Minister of Agriculture, or the department, aware of any such proposal for the transfer to the United States of an order for a million cases of condensed milk?

Hon. J. G. GARDINER (Minister of Agriculture): I have not the information readily available. I should prefer to have the question stand and answer it to-morrow.

WAR SAVINGS STAMPS

REPORTED SOLICITATIONS FOR SALES TO SOLDIERS IN CAMPS

On the orders of the day:

Mr. NORMAN J. M. LOCKHART (Lincoln): As a matter of information I should like to ask the Minister of National Defence whether instructions were issued by the department or by staff headquarters to the officers commanding the several military camps to seek to have men receiving $1.30 a day purchase war savings stamps. There is considerable dissension in regard to the matter, as to whether the officers commanding were doing this on instructions sent out from the department to the different camps, two of which I visited over the week-end.

Hon. J. L. RALSTON (Minister of National Defence): I can say to my hon. friend that I know of no such instructions having been given. But I shall inquire further.

Mr. LOCKHART: Does the minister know that such solicitations have been made among these men?

Mr. RALSTON: I do not.

Mr. LOCKHART: Then I can tell him that this statement was made to me.

[Mr. Gardiner.]

WAR APPROPRIATION

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

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

Resolved, that it is expedient to introduce a measure to be called The Supplementary 1940 War Appropriation Act to provide inter alia,

1. That sums not exceeding $135,000,000 be granted to his majesty in addition to the sums granted by The War Appropriation Act, 1940, towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending March 31, 1941, for:—

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

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

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

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

2. That the governor in council be empowered to reexpend, advance or loan moneys that may be received by way of refund or repayment of advances, loans or expenditures under The War Appropriation Act, 1939, The War Appropriation Act, 1940, and The Supplementary 1940 War Appropriation Act.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, with the exception of what might be described as the refunding clauses, this measure is in the same terms as ordinary war appropriation resolutions. I am not sure that we have had spread on the record a break-down of this item, and probably we should have it at this time. I notice the government has adopted a very good practice, because the other day the leader of the government in the other place first of all spread a total break-down on the record. Had that practice been followed when the previous resolution was first brought to this house I believe it would have been greatly advantageous not only to hon. members on this side but to the ministers concerned. However, at the moment I am not going to thresh old straw.

Would the minister be good enough to give the house that information between now and the committee stage of the resolution, so that we may have the information for discussion to-morrow—if in fact discussion is not completed to-day? I should like to have that

break-down. I have no intention of debating the resolution, because I believe all hon. members thoroughly understand the position, and why the amount is required. As a matter of fact the amount is less than I thought it might be, judging from statements made earlier in the session. For that, of course, we are truly thankful.

When we come to the resolution stage I would ask the Minister of Agriculture (Mr. Gardiner), or the same gentleman in his capacity as Minister of National War Services, to clarify the position with respect to the production, disposition and marketing of natural products—products which are not termed "war casualties". I notice he included potatoes in that category. Yet the position with respect to potatoes is exceedingly difficult and I did not exaggerate it when speaking the other day. The minister was about to reply but a discussion respecting rules intervened and he did not have the opportunity. I should like him to make it clear whether the government intends to do anything for the potato farmers comparable with that which has been done for the producers of wheat and cheese, and is about to be done for the producers of butter and other dairy products. Our people just cannot go on marketing choice Prince Edward Island potatoes at twenty cents a bushel if production costs continue to rise. That is the position to-day. Both fertilizer and transportation costs have increased. The marketing condition in the Argentine for seed potatoes has been very bad. That is a matter at present the subject of discussion among association members in New Brunswick. What is needed in connection with the potato export trade is some marketing authority which would see to it that the export of seed potatoes is not slaughtered by consignment shipments in the markets still open. That is the great evil which obtained last fall.

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

Hon. J. L. ILSLEY (Minister of Finance): I have in my hand an analysis of the figures. The leader of the opposition is correct when he states that the amount is not as much as was first anticipated. Ever since July last I have been making estimates as to the amounts which would be spent for war purposes during the fiscal year ending to-day. Developments have shown that all those estimates have been slightly incorrect. In either July or August last I was asked to estimate the total expenditures under the war appropriation measure, and my estimate was $940,000,000, although the measure itself authorized an expenditure of only $700,000,000. At that time I expected that before the end of the fiscal year which ends to-day it would be necessary to come to the house with a supplementary bill authorizing an expenditure of $240,000,000. Later in the year I believe the amount was modified to some extent—although at the moment I cannot just recall what my next estimate was, if in fact I made one. At the time of the conference held to consider the report of the commission on dominion-provincial relations it appeared that the amount required for the whole year would be $850,000,000. That was the figure I gave to the conference. Had that turned out to be correct, this measure would ask for $150,000,000, not $135,000,000.

After parliament met the estimates were revised, and it appeared that the whole amount required for the year would be $875,000,000. Had that been correct I would be asking to-day for $175,000,000. As we have drawn nearer to the end of the fiscal year our estimates have of course become more accurate, and it now appears that the actual amount required will be about $135,000,000. That includes the provision of $15,820,700 for unforeseen contingencies. I cannot give the committee at this time particulars of the amount for contingencies, but the figures would show that that amount has been carefully worked out.

Mr. HANSON (York-Sunbury): It is based on a calculation, not on a mere percentage?

Mr. ILSLEY: It is not a percentage of anything, so far as I can see. I am quite sure that it is not worked out on a percentage basis. I have in my hand a list, by departments, of expenditures to February 28, 1941, and amounts required for March, 1941. These two when totalled give the estimated expenditures to March 31, 1941. I should be pleased to place a copy of this document on *Hansard*.

Mr. HANSON (York-Sunbury): That would be satisfactory. I would ask that the minister let us have a copy of it.

Mr. ILSLEY: The table is as follows:

War Appropriation 1940-41

Expenditures to February 28, 1941, and additional amounts required to the end of the fiscal year

	Expenditure to Feb. 28/41	Amount required for March	Estimated expenditure to Mar. 31/41
Agriculture	$ 3,958,000	$ 1,310,000	$ 5,268,000
Auditor General	47,000	13,500	60,500
Chief Electoral Officer	5,500	....	5,500
Civil Service Commission	91,000	29,300	120,300
External Affairs	260,700	108,600	369,300
Finance	1,442,000	270,800	1,712,800
Fisheries	170,000	4,000	174,000
Justice	25,000	21,700	46,700
Labour	734,000	968,300	1,702,300
Mines and Resources	273,000	81,000	354,000
Munitions and Supply	78,789,000	16,211,000	95,000,000
National Defence—			
Army	312,272,000	92,442,000	404,714,000
Navy	65,122,000	20,071,000	85,193,000
Air	142,795,000	42,205,000	185,000,000
Sundry	4,808,000	1,424,200	6,232,200
National Harbours Board	201,000	64,000	265,000
National Research Council	381,000	160,600	541,600
National Revenue	4,600	400	5,000
National War Services	1,637,000	906,500	2,543,500
Pensions and National Health	2,594,000	926,500	3,520,500
Post Office	180,000	78,000	258,000
Prime Minister's Office	7,300	2,000	9,300
Privy Council Office	4,000	2,000	6,000
Public Works	4,406,000	1,133,000	5,539,000
Royal Canadian Mounted Police	2,234,000	266,000	2,500,000
Secretary of State	138,000	39,500	177,500
Trade and Commerce	19,000	3,000	22,000
Transport	841,000	510,000	1,351,000
	$623,439,100	$179,251,900	$802,691,000
Loans and investments	16,488,300	....	16,488,300
	$639,927,400	$179,251,900	$819,179,300
Provision for unforeseen contingencies			$ 15,820,700
			$835,000,000

Mr. GREEN: What is the present situation respecting restrictions placed on the travel of Canadians to the United States? The tourist season is opening shortly and I believe that in some of our cities fairly close to the boundary there is a feeling that the restrictions placed upon Canadians entering the United States are creating in the minds of the people of that country the impression that border crossing is extremely difficult. The result has been a great falling off in the influx of United States tourists into Canada. As the Minister of Finance knows, we have counted heavily upon the United States tourist trade for our United States exchange. I suggest that perhaps the time has come when the restrictions upon Canadians entering the United States should be modified to some extent. The residents of the United States can travel only in the western hemisphere and we should make every effort to attract them to Canada. I am afraid that our tourist trade will be severely hit this season. Could the minister explain the situation at this time?

Mr. ILSLEY: Without having the regulations before me I can do so only in the most general terms. After giving the matter some

thought I have come to the conclusion that there is no evidence whatever that so far our pleasure travel restrictions have had a prejudicial effect upon United States tourist business.

Mr. HANSON (York-Sunbury): The minister means our restrictions?

Mr. ILSLEY: I mean exactly what I said—our pleasure travel restrictions. Last year the tourist business from the United States fell off quite seriously during the months of June, July and August.

Mr. GREEN: Those are the big months.

Mr. ILSLEY: Our pleasure travel restrictions, if my memory serves me correctly, came into effect on July 1. The main reason for the falling off of tourist traffic from the United States to Canada was the passport regulations put into effect by that country.

Mr. HANSON (York-Sunbury): That is quite unexplainable because that is the reverse position. I should like to know upon what the minister bases his argument. He is making an assertion, but of course that is not proof.

Mr. ILSLEY: That is not proof, but the falling off of tourist business took place about the time the passport regulations came into force. Of course, that is not a conclusive indication that the drop in tourist travel was the result of those passport regulations, but it is well known that as soon as the passport regulations were announced the feeling became general in the United States that if one came to Canada he would have difficulty in getting back to the United States. The passport regulations were not understood and the people simply stayed home; for some reason or other they did not dare to come to Canada. It took the dissemination of considerable information to disabuse the minds of United States residents of that apprehension. In September and October there was a considerable increase in tourist business as compared with the previous months and the business came back practically to normal. It was comparable with the previous year.

Mr. LOCKHART: Does the minister mean it was normal as compared with the previous year?

Mr. ILSLEY: Yes, nearly normal.

Mr. LOCKHART: No.

Mr. ILSLEY: It was much nearer to normal, anyway.

Mr. CASSELMAN: There was some travel during those months but for the previous two months there was practically none.

Mr. ILSLEY: It was nearer to normal than it was in the earlier part of the summer. That in itself is an indication that the pleasure travel restrictions here in Canada were not the cause of what dropping off in tourist business there was. It must be remembered that while we are not in a desperate position in connection with United States exchange, we are in a serious position.

Mr. HANSON (York-Sunbury): Did the minister say "desperate"?

Mr. ILSLEY: I said that it would not be fair to say that we were in a desperate position, but we are in a serious position so far as our stock of United States exchange is concerned. It should also be remembered that our pleasure travel restrictions conserve for us somewhere between sixty and seventy-five million United States dollars per year.

Mr. GREEN: To what extent did our tourist trade fall below what was expected?

Mr. ILSLEY: It fell off a lot.

Mr. GREEN: Did it fall off $60,000,000?

Mr. ILSLEY: That is the very point, and I see I shall have to go over this quite patiently. I have not the figures before me, but what I was pointing out is that the drop in tourist traffic occurred before the pleasure travel regulations came into effect. Later in the year there was a trend the other way. It is impossible to trace the cause and effect as between the pleasure travel regulations and the tourist business, but it is possible to see the cause and effect as between the passport regulations and the tourist business. Apparently the feeling held by some people is that if we were to abolish these regulations—

Mr. GREEN: I did not say that.

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

Mr. ILSLEY: Let me finish the sentence—if we were to do away with the pleasure travel restrictions and allow this $60,000,000 or $75,000,000 to go to the United States, we would get that much or more than that through increased tourist travel to Canada. That might be so if there was a large disproportion between the amount which United States tourists spend in Canada and that which Canadian tourists spend in the United States. Canadians generally are under the impression that there is a great disproportion in these amounts. One very eminent gentleman who was concerned about this matter came to see me and told me he understood that the United States tourist spends about ten times as much in Canada as the Canadian spends in the United States when

travelling for pleasure. I told him that I thought the figure was more like three to one, and when I got the exact figure I found it was nearer to two to one. The proportion of our travel to theirs is surprisingly large. It is quite improbable that if we were to take down the bars and allow our people to visit the Florida beaches and the New York night clubs and other places where some Canadians in the past have liked to go, and let this $60,000,000 or $75,000,000 go to the United States, there would be a similar increase in United States tourist expenditure in Canada.

I do not like to be talking about the matter in this way. I do not know that one can sit down and put it on a purely dollar basis. I do not like to say that we should not spend a dollar unless we are sure we will get a dollar back. I should like to see no restrictions whatever upon travel between the United States and this country; I should like to see no passport regulations and no pleasure travel regulations or anything of the kind. But it must be remembered that we are buying such huge quantities of goods from the United States that there are some things which we must cease buying from that country. We cannot buy everything. We cannot buy all kinds of articles which were shut out under the War Exchange Conservation Act, allow our people to go on pleasure travel to the United States in a free and unrestricted manner, and at the same time pay hundreds of millions of dollars for munitions. The people of the United States understand that pretty well. If we were trying to keep our money here and get theirs, it would be a different thing, but as they well understand, we are not trying to do that. We are buying and buying and buying from the United States of America, and we are earnestly seeking ways in which we can keep ourselves in a position to continue to buy.

I do not believe it would be acceptable to the people of Canada if we were to ask those in the low income classes to deny themselves and to sacrifice, as we are asking them to do, making it impossible for them to import certain things which many of them regard as important, injuring seriously some importing businesses, as we have done by our War Exchange Conservation Act, and at the same time say to our people, "Go freely to the United States." It would look unfair on the face of it; it would be pretty hard to face down or to argue for. The only argument we could advance for such a proceeding would be that it would be good business for us to do that. But when, as I have said, normally the number of Canadian dollars spent in the United States is something like half the number of American dollars spent in Canada, it is very improbable, if we were again to take down those bars and let our people go freely on pleasure travel in the United States, thereby depleting our stocks of exchange to the extent of sixty to seventy-five million dollars a year—which is a lot of money—that we would gain anything like that much from United States tourists who would come to Canada. All over the United States people are, progressively, realizing our situation. They understand that this country is at war, that it is putting forth a tremendous effort, and must conserve every dollar of United States exchange, not to keep it away from the Americans, but to spend it with them for things which will advance the prosecution of the war.

That is my conviction regarding this pleasure travel relaxation issue. I know that certain newspapers and individuals sincerely believe the contrary. They hold that we should try the effects of relaxation, but the risk is far too great for a government which has as one of its primary responsibilities the safeguarding of adequate stores of foreign exchange for a considerable period into the future.

Mr. GREEN: My suggestion was, not that the restrictions should be abolished, but that the government should review them to see whether they might be relaxed to a certain extent. For example, it is almost impossible for Canadians to visit relatives in the United States. There are other factors to be considered. Railway companies, hotels, tourist agencies and bus companies have arrangements whereby they route tourists from one place to the other, and I doubt very much whether we can expect United States companies to route their citizens through Canada when there are no Canadians going down there. I should like to see something done in this direction. I hope for the sake of Canada that the government's policy is the correct one, but I suggest that further consideration be given to the advisability of relaxing these restrictions to some extent in the hope that a larger tourist trade from the United States will follow. They are only too anxious to help us in every way, but it is asking a lot for them to come up here when Canadians are unable to cross the border to see their friends. I doubt whether it is wise so to restrict the intercourse between the two countries.

Mr. QUELCH: Can the minister say whether as a result of the passing of the lease-lend bill it is intended to borrow from the United States?

Mr. ILSLEY: I cannot say. I do not know whether Canada will take advantage of the provisions of the lease-lend bill.

Mr. HANSON (York-Sunbury): I should like to intervene briefly in this discussion on tourist traffic. The minister says the proportion is about two to one. That is far different from what we have been told over a period of years, when tourist agencies and boards of trade and similar bodies were agitating for increased grants from parliament and the provinces. It corresponds much more nearly to what my own view has always been, namely that so far as Canada is concerned this is a very ephemeral business—due in a large measure of course, to the shortness of our season, as well as to our failure adequately to advertise the attractions we have in this country for foreign visitors. I am astonished that the minister contends that it is only two to one.

Mr. REID: There is a lack of roads.

Mr. HANSON (York-Sunbury): I think the road situation has been taken care of reasonably well, having regard to our ability to foot the bill. In New Brunswick we have spent forty to fifty million dollars, which we could very ill afford, on the construction of roads to attract tourists. In the result we have not got back from the increased tourist traffic enough to take care of the carrying charges; we have had to resort to new taxation to build those highways. However, that was not the purpose for which I rose.

I think there is a lot in what the minister says. The imposition of the passport requirements on travellers going into the United States and the beginning of the falling off of the tourist trade into Canada more or less synchronized in point of time. I should not like to think that they represented cause and effect, although one might be driven to that conclusion. What I wanted to suggest to the government—now that such friendly relations have been established between the two countries, now that we are out to do all that we can for them, now that we are even going to let them build the waterway for us at their expense—was to ask the United States to withdraw the passport restriction upon the entry of Canadian nationals bona fide guaranteed and accounted for. That would do away with a lot of restrictions. If I want to go home by car to-day, it is almost an impossibility, even though I had the United States funds with which to pay my way through the United States; there is so much red tape about getting through. Now arrangements have been made for travel by rail. I come and go by train freely through Maine, to and from New Brunswick, but if I want to go to New Brunswick by automobile I have a lot of difficulty. The result is that both of us—they and I—lose something which might be avoided if the passport restriction conditions were, at least, ameliorated. A much more friendly intercourse back and forth would be the result.

It occurs to me that the government could explore a number of other avenues for the saving of exchange. I am going to mention a case which came to my attention the other day. One of the contractors on an airport in the maritime provinces had as part of his contract—and an additional contract—a tremendous amount of trenching to do, and he got a good price for it. The prices for building these airports are good; I do not say they are too high or anything of the sort. The work had to be done in a hurry; we are told that speed is the first requisite. I realize that there is a great deal of truth in that. This contractor sublet the trenching to a man who did that class of work. It was profitable to the subcontractor, so much so that when the additional contract meant some miles of additional trenching the contractor would not give the man the new subcontract but sent $10,000 across to the United States to buy a new 10B Bucyrus-Erie trenching machine. He bought that machine to do the work himself.

This matter was brought to my attention by the subcontractor, who was out of a job and whose machine was idle. I brought it first to the attention of the foreign exchange control board and they said they had no jurisdiction; they were not policing importations. Then I brought it to the attention of the Minister of National Defence and he would have nothing to do with it; he said, "I have no authority". I will tell the minister that there is a tremendous amount of importations from the United States just in that category which should never be allowed, and one of the worst offenders is the building of the Canadian National railway terminal in Montreal. How much steel was imported into Canada during the last fiscal year to build the terminal of the Canadian National railway in the city of Montreal, using up important foreign exchange? The government is not a bit consistent. It will put the clamps on in one place but leave it wide open in another place.

Mr. ROWE: Fruits and vegetables.

Mr. HANSON (York-Sunbury): The other day a return was brought down showing importations of $22,000,000 worth of fruit and vegetables, which, with express and freight charges, would bring the bill up to $42,000,000 a year. It seems to me that the proper thing for the government to do is to review the whole position. Take my contractor friend: he should never have been allowed to import

that new machine, which was not made in Canada. The machine paid for itself in the one job—to him—but we lost $10,000 worth of exchange. I can give the minister the name of the contractor, the name of the sub-contractor and the name of the machine he bought. These things have to be tightened up. I am not saying this in a complaining spirit. I am trying to help the minister on the question of foreign exchange, because I realize that while the situation with respect to United States exchange is not desperate—the minister did retract that word—it is very serious, and just what is the best way to meet it I do not know. I am not an expert and I would not undertake to advise the minister, but every day, every week and month sees a situation cropping up which, if it could have been foreseen—and it should be foreseen—would have materially altered the position.

I hope the minister will review the whole thing. American tourist traffic is important. If you can get that passport requirement lifted by the United States government it will go a long way to help the position. The difficulty is that a large number of tourists from the United States are former Canadians who are afraid to come over for fear that they will not be able to get back, although they may have been over there for thirty years. I know of a young lady who wanted to visit her sister. She came to Calais, Maine, and they sat and talked together on the doorstep of the customs house. She was afraid to come across for fear of the restrictions; she was afraid she could not get back. That is not a good position between the two countries to-day. We have a great ally in this matter in the person of our distinguished visitor here of a week or two ago, Senator Pepper of Florida. I am sure he will do everything he can to help the position. He knows the value of the Canadian tourist in his own state of Florida and he will help the government if they go after the thing man-fashion. Let us see if we cannot get some of these restrictions lifted.

Mr. LOCKHART: With regard to the difficulties arising at border points, I concur entirely in what the leader of the opposition has said with reference to people who have been residents of the United States for fifteen or twenty years or more. They are afraid to come over here on account of the restrictions. Canadians may go over and take $5 in Canadian money to be used for emergencies and transportation, but this privilege serves only a limited purpose. I would urge the minister to give some further latitude. There are thousands of people in Canada and in nearby places in the United States, and even in places further inland across the border, who by reason of intermarriage desire to visit back and forth. Canadian visitors by signing a card can take $5 in Canadian money for emergencies and transportation only, but this is not satisfactory. While I was home in St. Catharines this week-end I learned of a number of people who wanted to go over for urgent reasons—illness among relatives, for example. I believe a definite extension of the privileges granted would greatly facilitate intercourse between Canada and the United States.

There is another matter I wish to mention particularly. The summer season is approaching and there will be a considerable movement of people to the Canadian west, crossing at Windsor and Sarnia, where they have to go through United States territory in their motor cars, in order to get to Saskatchewan and other parts of western Canada. I urge upon the minister the importance of facilitating communication, making things a little bit freer and easier for these people.

There is one other important point I wish to bring to the attention of the minister; it came to my notice over the week-end. In Camp Borden there is one hut with forty-two men including three Canadians; the rest are all Americans. They jocularly refer to the three Canadians as foreigners. One man from Massachusetts, who rode with me on the way to Ottawa, said that his wife was having to pay 18 per cent exchange in Massachusetts in order to get his money changed into American dollars. If there is any large percentage of such men in the air force and the army, as has been suggested to me on many occasions, every possible precaution should be taken to protect the interests of these boys who are serving their country for $1.30 a day. I ask the minister to see whether something can be done in cooperation with the Minister of National Defence or whoever is the proper authority to ensure that the pay of these soldiers shall be transferred on the ten per cent basis established between the two countries. I can give the name of the man who told me about the eighteen per cent. He said they had pleaded with their commanding officer asking if something could not be done to make sure that their wives did not suffer this hardship. Thousands of Americans are serving in our Canadian army and air force, and they should be protected in connection with exchange.

Mr. ILSLEY: I will look into these various suggestions and see what can be done.

The leader of the opposition made one or two suggestions about imports which he regards

as unnecessary. Possibly there are unnecessary imports. But the difficulties of administration are tremendous. If, for example, we add machinery to part II of the War Exchange Conservation Act so that it can be imported only under licence or permit, the staff of the Department of National Revenue would have even more grief than they have at present.

Mr. HANSON (York-Sunbury): I think you will have to come to it.

Mr. ILSLEY: At the present time they find it almost impossible to know when to issue permits and when not to issue them to persons wishing to import articles listed in part II of the War Exchange Conservation Act. I receive representations from indignant would-be importers, although it does not come under my department, and I know that the Minister of National Revenue receives ten or perhaps one hundred for every one I receive. I assure the committee it is no easy matter to pick and choose as between importers and to say to A that he may import and to B that he may not.

Mr. HANSON (York-Sunbury): You have to know the facts in every case.

Mr. ILSLEY: Yes, the facts have to be investigated fully; and then, after that is done the disappointed applicant will go away with a serious sense of grievance. I do not want to provoke discussion but I do not think the committee or the country has any idea of the number of protests we have received because of the prohibition of imports under the War Exchange Conservation Act. Some day I may make a list of the articles that have been represented as necessary to the people of this country. They include everything that the mind of man can conceive. If I were to undertake now to name them from memory I might be suspected of making sarcastic reflections on certain businesses, but certainly a great many of the articles did not appear necessary to me.

Mr. HANSON (York-Sunbury): We are a nation of individualists.

Mr. LOCKHART: Could the minister say a word on fruit and vegetable imports generally?

Mr. ILSLEY: The matter of importation of fruits and vegetables was dealt with carefully at the time the war exchange conservation bill was introduced in this house. That was a class of imports as to which the United States government made very strong representations, and we just had to consider whether we should endanger the Canada-United States trade agreement, which we would be doing if we restricted in any broad way the importation of fruits and vegetables. Now we export a great deal to the United States, a great deal more than we would if it were not for the existence of that trade agreement. We decided that we would not be justified in prohibiting those imports.

Mr. LOCKHART: Why were fruits and vegetables singled out with such definiteness while many other things were excluded?

Mr. ILSLEY: I believe the hon. gentleman would appreciate the reason if he gave it a little thought. Perhaps his is purely a city constituency—

Mr. LOCKHART: No.

Mr. ILSLEY: Then he doubtless has a healthy respect for the fruit and vegetable growers in his constituency, their power when they begin making representations, and the great importance of meeting their wishes if he can. Does he not know that all over the United States there are powerful agricultural interests which the United States government would not like to antagonize any more than we do ours in Canada?

Mr. LOCKHART: I have followed closely what the minister said, yet I fail to understand how these interests in the United States could offset the very strong influence exerted, and rightly so, by Canadian producers on their own government. I do not understand why these United States interests should have greater influence here than our own Canadian producers.

Mr. ILSLEY: It is not a question at all of influence exerted on this government by the agricultural interests of the United States. The position was that the United States government made very definite and emphatic requests in regard to this class of commodities.

Mr. LOCKHART: At the instigation of the producers there.

Mr. ILSLEY: I am not in a position to say. The hon. gentleman talks about $22,000,000, I do not know how much could be shut out. A great many would have to be admitted; it would be absurd to shut out all. But some could have been shut out without endangering the health of our citizens and without any bad effects, so far as I could see, if we did not have the trade agreement to consider as a whole. But it would not do to endanger our cattle market—

Mr. LOCKHART: Oh, that was never in danger.

Mr. ILSLEY: It was. There would have come a point where the agricultural clauses of the agreement would have gone just like that if we went too far, and we did not want to go that far.

Mr. HANSON (York-Sunbury): What the minister is saying in relation to this position amounts to this, that our fiscal policy is being dictated by Washington. This government are so fearful of offending the United States that they will not protect our own nationals. There is the position in a nutshell. You sacrifice the market gardeners and fruit and vegetable growers of this country to appease the United States government, whose own nationals put pressure upon them. If that is not dictation I do not know what is. We had the same position in the last Dunning budget prior to the 1930 change. Hon. gentlemen opposite know what happened because of that very position, and it will happen again if the Canadian public begin to understand. We ought to assert our fiscal independence and point out to the United States government—surely they are amenable to reason—that never before in the history of this nation have we spent so much money with them. True, it is for goods of a different class or kind, but we are buying more from the United States than we ever did, and how we are going to pay for it in the days to come is a puzzle to me. The minister will find, and the United States government will find, before we are through that there will have to be further restrictions; unnecessary luxuries from the southern states, such as Florida strawberries, will have to be shut out. They do not amount to much after all.

There is a principle at stake as well as a question of expediency. Surely the United States authorities are not so obtuse, shall I say, as not to know that their trade with Canada has always been one of the bulwarks of their export trade. How this little country has paid the millions of dollars of adverse balances that have grown up in connection with our trade with the United States has been almost beyond me. We never would have been able to do it if we had not had the greatest customer in the world on the other side of the Atlantic, which enabled us to settle our accounts on a three-cornered basis. I heard my late chief, Mr. Bennett, make a speech on this subject. From 1867 to 1930 the adverse balances of trade against this country, as between imports and exports between Canada and the United States, came to an astonishing figure, not millions but billions. We paid that adverse balance by exporting to the mother country, though a good deal of it was paid by exporting our estate, our raw materials which should have been manufactured in this country.

Mr. BLAIR: What about the tourist trade?

[Mr. Ilsley.]

Mr. HANSON (York-Sunbury): After what the minister has told us this afternoon I am afraid that the tourist trade is more or less a snare and a delusion. We only get two dollars for one. The estimate is away below what we have been told by this government, by other governments, by the travel bureau and others. In my own mind I have always regarded the tourist trade with some reserve; it can never assume great dimensions, for reasons, climatic and otherwise, which are obvious. According to the minister to-day the tourist trade is worth only about two dollars to one, though I thought the quints alone were worth that.

Mr. ILSLEY: I would not like to be held too strictly to that, but it is nearer two than three.

Mr. HANSON (York-Sunbury): Quite so. No one knows accurately the measure of the tourist traffic. It is and always will be a guess, unless you make people register what they bring in and what they take out, or something of the kind. It has always been grossly overestimated.

I appeal again to the minister. The United States government must know that to-day this country is spending tremendous sums there for war purposes, some of them essential and some not so essential. Surely they will take a broad view and a long view of this question. It is due to us, as well to to them, that they should do so. I should like to know who is getting the best end of this game, if you want to put it on the very lowest possible basis. Certainly we are not.

Mr. ILSLEY: The hon. gentleman must not be unfair to the government or people of the United States in this matter. He must remember that we have a trade agreement with that country, and that we have used the war clause of that agreement to vary a great many of its provisions. Though the United States exporters considered that they were really guaranteed the Canadian market for their goods, in connection with hundreds of items we have imposed an embargo and the government of the United States has not offered any objection. They have permitted us to take advantage of the war escape clause in the agreement, because they understood the extremely difficult position that we were in with regard to our need of foreign exchange. But as to fruits and vegetables the United States government felt compelled to point out that prohibition of their importations would gravely prejudice the position of the Canada-United States trade agreement and, under it, the tariff concessions assured to certain Canadian agricultural ex-

ports. I have heard the hon. gentleman talk about the lack of affirmative, positive measures to increase our foreign exchange. There is no more positive measure than selling our goods in the United States.

Mr. HANSON (York-Sunbury): Is it not the balance that has to be settled that constitutes the measure of your trouble?

Mr. ILSLEY: No. You do not balance your trade evenly with any country. With some countries your balance is favourable and with others it is unfavourable, but I would not consider that we had been treated unfairly at all by the United States in regard to the trade agreement.

Mr. GRAYDON: That may be so, but as one of the hon. members who represent constituencies having certain specialized types of agriculture I feel that something further should be brought to the attention of the minister at this time with regard to the orchard men and the growers of vegetables. There is a little more to this whole problem than the minister has stated. It may be true that representations on behalf of our own growers have been given consideration, but there is another angle to this matter that I think should be kept in mind. There are other influences, in this country as well as in the United States, which somewhat conflict with the interests of the growers themselves. After the foreign exchange conservation act had been passed in this house I was amazed at some of the comments that were made in the United States with regard to this industry. I should be the first to admit that nothing should be said in this house that would reflect in any way upon the United States government or people. We are all in this thing together, and perhaps it is very largely a question of conflicting interests within both countries rather than of any conflict between the countries or the governments themselves.

In the New York *Packer* of December 7 last there appeared a very interesting and enlightening article—later reprinted by the Canadian food distribution council—which I think is rather important. Mr. William Garfitt, the executive vice-president of the United Fresh Fruit and Vegetable Association in the United States, was discussing the failure of the Canadian government to impose any embargo, as he termed it, upon the importation into this country of fresh fruits and vegetables under that act. As most hon. members will recall, there was a good deal of rumour and gossip to the effect that the importation of fresh fruits and vegetables was to be in some way restricted, and evidently this article was written with that idea in mind, because it comments on the good fortune of the United States growers in not having to face this problem. Addressing himself to the growers of the United States, Mr. Garfitt had this to say:

> Last week I was able to tell you that, partly through the efforts of your association, the Canadian government had decided to modify an almost total embargo on fresh fruit and vegetable imports from the United States, and to exclude only a limited number of perishable commodities. This week I am happy to be able to report that the embargo has been lifted entirely, and that any American fruit or vegetable can enter the dominion without restriction.
>
> This will be good news, not only to American growers, but to wholesalers and commission merchants, who were confronted with what seemed the necessity of finding home markets for close to $20,000,000 worth of products. . . .

That is about the value of our yearly importations from the United States, without including freight and so on.

> . . . that would otherwise have been exported to Canada. Other industries were not so fortunate, as entire classes of goods, such as automobiles, radios, canned fruits and wearing apparel, are on the list of prohibited "non-essentials".

This is something which concerns all of us. The minister will understand that I am not in any way critical of him, but I believe this should be placed on the record so that we may know what influences other people believe are brought to bear on the situation. He goes on to say:

> Just what caused the Canadian Minister of Finance, Mr. J. L. Ilsley, to make such an abrupt aboutface will probably never be known. But I believe your association can take some credit for it. When the threat of embargo became known some two or three weeks ago, I conferred with the Canadian jobbers in Toronto—

In ordinary farm parlance, this looks like the nigger in the woodpile. In any event he says:

> —I conferred with the Canadian jobbers in Toronto, suggesting to them that they send a delegation to Ottawa to protest that fresh fruits and vegetables should be admitted as a public health measure.

He goes on to say:

> Immediately following the Toronto conference, the United—

That is, United Fresh Fruit and Vegetable Association of the United States—

> —started a stream of protest flowing through the United States Department of Agriculture, the Treasury department and the Department of State to the Canadian ministry of finance, pointing out that any such restriction on the movement of American agricultural goods would jeopardize the reciprocal trade treaties in effect between the United States and Canada. This seemed to have considerable bearing in the minister's decision.

This incident seems to be a good example of what an alert trade organization can do if given aggressive backing by its members and by others in the industry it serves.

In response to our telegrams to shippers and important handlers of fruits and vegetables in all parts of the country, the industry began at once to make its voice heard in official Washington—and official Washington had no choice but to lay the facts of the matter before the Canadian authorities.

Perhaps this is pertinent in view of the fact that the budget is coming down. The minister should be well advised so that he may say to this organization that he is independent of it. The article continues:

This does not mean however that all danger of future embargoes has been disposed of. In its anxiety to conserve every dollar of its liquid resources for war material purchases, the dominion is likely to revive this so-called economy measure. In that event, we shall be ready to go to bat again, but in the meantime it would seem to be only the part of wisdom for American shippers and receivers to do everything in their power to stimulate consumption in their home markets.

In other words, they are getting ready for changes which the minister may make in his budget.

It will be understood that I do not place this on record for the purpose of criticizing the minister. I realize the position in which he finds himself, and I would be the first to sympathize with him. It must be remembered that here in Canada two different and sometimes conflicting influences are being brought to bear, one by those whose business it is to make money from the importation of fresh fruits and vegetables, and the other by those who are connected with the growing of fresh fruits and vegetables for our own consumption.

The placing of this article on the record may serve to bring to the attention of the minister the type of influence being brought to bear in the trade in the United States.

The view seems to be held that the Canada-United States trade agreement might be jeopardized in some respects through the placing of restrictions on importations of fresh fruits and vegetables. I have not been greatly influenced by that bogy of altering trade agreements. It has always been said to the other farmers, "If you people want restrictions on fresh fruits and vegetables, then you must be prepared to lose some of your cattle quota or your cattle market in the United States." Of course that has had some effect on the public mind. No one wants our cattle market curtailed but I have never been convinced that that would be the result, because, as the minister very properly pointed out—and I was glad he did so—we are not attempting to curtail our purchases in the United States. The fact is we are trying to expand them. In order to expand them we ask simply that we be given by means of these restrictions more money with which to make such expansion. In my opinion no interests in the United States can properly take exception to what I am saying, because, after all, the money is being used for one purpose only, that of keeping industry in the United States moving so that it may provide war materials for us.

I would ask the minister when preparing his budget again to give consideration to this matter of the importation of fresh fruits and vegetables. It is a serious matter, because it is double-barrelled so far as we are concerned. The growers are having a tough time of it—and when I use those words I believe I am speaking as fairly as possible. Their difficulties are increasing because of the increased costs of production. In addition they are experiencing labour scarcity, and to the gardeners particularly that is a great difficulty. On top of that, the influx of United States products has seriously decreased their market. I make a sincere and urgent plea to the minister to give further consideration to this one method of conserving foreign exchange.

I do not believe any of us would ask for a complete restriction or a complete embargo. I do not believe the fresh fruits and vegetable growers themselves would want any hon. member to make that suggestion. But there are certain restrictions which might properly be made. I ask the minister to give careful study to the whole question of the importation of fresh fruits and vegetables, basing his conclusions entirely, if he wishes, on the question of conservation of foreign exchange, and leaving out consideration of the growers. We have here a chance to save at least something of the $43,000,000 exchange position which we are trying in so many other ways to guard and protect. While our imports into Canada of fruits and vegetables are valued at something like $21,500,000, we must double that amount when we add freight and other charges which the Canadian consumer has to pay.

I make this earnest plea to the minister. Our great agricultural industry needs help. Here is a chance to help it, and at the same time to help our foreign exchange position. The Minister of Finance has an opportunity in this instance to do both, with the same stroke of the pen.

Mr. NICHOLSON: I should like to ask a question regarding the amount of foreign exchange used in connection with the automobile industry in Canada. I have before me returns from the bureau of statistics which

indicate that we are spending a large sum of money in that industry. I understand one of the objectives of the war exchange conservation measure of last year was to decrease the amount of money involved in that industry. The figures I have indicate that we bought 101,789 new passenger cars in 1940 compared with 90,054 in 1939. After the passing of the act there was a decrease, it is true. No doubt many people anticipated that prices would go up, and there was an increase in June. In August and September, however, there was a decrease in the number of automobiles purchased. The total number of automobiles and trucks purchased in 1940 was 130,552 as compared with 114,747 in the previous year. What is the amount of foreign exchange used in maintaining these industries, and has the government considered the fact that these industries are using a great many highly trained men and a lot of material which might well be used in connection with our more direct war effort? What percentage of these figures will be used for foreign exchange?

Mr. ILSLEY: I have been a little concerned about the progress of the debate and have been looking for an item under which all this discussion would be in order. Unfortunately I cannot find one. I thought there was a finance item under which all this discussion could take place, but I do not think there is. With regard to the question asked by the hon. gentleman I may say that in order to present the situation adequately it would be necessary for me to get figures and to go into a number of matters. I suggest that we defer this until something else is up under which it can be discussed. There is nothing here under which this could be discussed properly, or under which the preceding matters would come.

Mr. RALSTON: The other evening the hon. member for Yale (Mr. Stirling) asked that I give as much information as I could with regard to the equipment situation, particularly for the army.

Mr. STIRLING: Training in Canada.

Mr. RALSTON: I am really going further than that, because I have gone into the matter in some detail. I think my hon. friend realizes, and I believe the committee will realize, that this is probably the most difficult task which could fall to one. I do not think I am unduly secretive, but at the same time there are in connection with equipment a great number of matters regarding which the staff are positive that information should not be given. I am between the upper and the nether millstones. On the one hand, the committee wants all the information possible, as do the public. On the other, the staff very properly points out to me that I am the head of a department which has an intelligence service part of whose work is to see that subversive activities are not carried on, and part of these subversive activities is to endeavour to get information with regard to types and production of equipment being produced in this country. The staff at headquarters find it hard to see why the minister, simply because he desires to be as frank as possible, should be giving information which spies would give their lives to get and for which other countries would pay a great many hundreds of thousands, perhaps millions of dollars.

I am going to give the best information I can, and I am afraid I shall be erring on the side of giving more than I should. The tabling of the MacMillan report by my colleague the Minister of Munitions and Supply was not regarded with equanimity by the staff at national defence headquarters. It was, however, deemed necessary to table that report in view of a situation which had arisen. That is water over the dam. I do not wish to go further in that direction by way of forecasts, predictions and the giving of figures. Let me say this further, because I think it is time that we had a frank discussion and a frank study of the situation. You do not find the Prime Minister of Great Britain making any statements with regard to the number of aeroplanes or the number of ships or the number of anything else. You do not find Mr. Eden or Mr. Margesson rising in his place in the British House of Commons and outlining the situation in connection with various items of equipment which are being produced for the army. You do not find Lord Beaverbrook giving the number of aeroplanes. Those gentlemen are said to have been extremely frank, and they have been frank in stating that there have been discouragements, delays and so on—these have occurred in Canada as well—but they have not given any figures.

Mr. DOUGLAS (Weyburn): They have had closed sessions.

Mr. RALSTON: If my hon. friend can tell me what went on in those closed sessions, then I shall know whether or not they gave figures. Nevertheless, I am going to go just as near the line as I can in an endeavour to give all the information I think it is possible to give, and I am going to deal also with some definite items of equipment and the situation in which we find ourselves, having regard to formations and to training necessities in Canada.

I am going to begin with what is perhaps one of the most difficult items, at least so far as the army is concerned. I refer to the

matter of field guns, anti-tank guns and anti-aircraft guns. The making of these guns is in the hands of four of the most reputable, efficient and best known Canadian firms. The fact is that so far the army has not received delivery of any of these guns. The committee will be glad to know that anti-aircraft gun barrels have, as has already been stated by my colleague the Minister of Munitions and Supply, been delivered and been found to be eminently suitable for the purposes of substitution for barrels in guns which have been used already. I may say also that we expect very shortly to have some anti-tank guns for training purposes.

The situation with regard to 25-pounder guns has been particularly scrutinized by my colleague the Minister of Munitions and Supply. I told the house some days ago that we had a definite understanding with our friends in Great Britain with regard to field guns. The committee will realize that 25-pounders are being produced in the same plant in Canada for both British and Canadian account. There is no lack of recognition of their importance by us or by the Department of Munitions and Supply. My colleague the Minister of Munitions and Supply, and his staff know how much we should like to have these guns just as soon as possible. I feel that it is due to both the minister and his staff to say that they certainly have put their backs into trying to get these weapons for us.

There is nothing to be discouraged about. We have approximate target dates for the delivery of these weapons, and I am sure that Canadian industry will strain every nerve to see that we get them. While I am speaking of this matter of target dates, perhaps I may say something else—my colleague the Minister of Munitions and Supply referred to this the other night—with reference to the matter of forecasts. My officers go to the Minister of Munitions and Supply from day to day to ask him when they may get this, that and the other article, and I think my colleague is getting just a little weary of that sort of thing. He tells them, "If I do tell you, you will hold me to it, and when the time comes, you will say that you are getting it two or three weeks late." Here is what he says now, "I will tell you that we will get them just as soon as Canadian industry can fill the order, and we have placed it in reliable hands."

I have to say to my colleague that this is really not good enough for me, although I appreciate his position. I should like to have some sort of target date so that I can make plans to equip certain formations with certain types of weapons. I tell him that if a target date is set, it will assist us in making our plans and will encourage industry to live up to that date. I think we should all realize that this is not a matter which concerns only the Department of Munitions and Supply. It is a matter particularly for Canadian industry. That department passes on to us what it gets from the particular industry which is engaged in making the particular piece of equipment. We ought to realize, and we in national defence have to realize, as does munitions and supply, that industry is engaged—I am speaking particularly of weapons—in the manufacture of something which has never been manufactured in Canada before. They are trying to do their very best with plans and specifications, drawings and tools, and dies and jigs, getting machine tools from everywhere, and adapting their plant facilities accordingly. Probably there is a tendency on the part of industry to make us a little happier by saying that they will make their deliveries at a certain date—finding afterwards that unexpected difficulties have arisen. At the same time I do not wish to discourage industry or munitions and supply from giving us the best forecasts they can in order to help us make our plans. If they do their level best to live up to those forecasts, that is all we can ask of them.

In the meantime, we of the service departments to whom these particular weapons are coming are not going to lie down and say that because equipment does not come faster, we cannot do anything. We try to help by agreeing on a different priority, so that this particular thing may receive more attention and something else may get less, in order to obtain the particular weapon we desire. We endeavour also to do our best to use what we have, or get along with some sort of substitute, until we receive the particular weapon we want.

In connection with anti-tank weapons, we have been training right along with 18-pounders. They are not the ideal thing, but our artillerymen are used to them, and training for anti-tank work is extremely desirable and has had good results.

Speaking of anti-aircraft guns, we are using for training purposes such equipment as there is in this country. We are not groaning about the fact that we cannot get more anti-aircraft weapons immediately. They will come. We are sending personnel overseas in order that they may be familiar with this weapon when the units go over, and also to enable some of the men to return and give instruction on this side in the use of these weapons.

I emphasize this—and it goes back to the question which the hon. member for Yale was asking—that our Canadian production of these articles must be used to the very best

advantage. A small number are utilized for training here, but the bulk of the production goes to the United Kingdom, because we believe that to be the sound distribution; after all, we expect them to be used by our men overseas.

With regard to anti-tank rifles, as the committee knows, engineering and production of these rifles were put in the hands of the Inglis company by the new contract which was made late last fall, and my assurance is that every effort is being made to manufacture them as quickly as possible.

As regards the 2-inch and 3-inch mortars, deliveries of 3-inch mortars have actually been made; and manufacture of 2-inch mortars is under way, but it will be a considerable time, I believe, before deliveries are received.

I am advised that we have sufficient Lee-Enfield rifles for operational purposes in Canada. For training requirements and for the reserve army we are depending mainly on the rifles which we got from the United States, plus sufficient Lee-Enfields for firing practice.

In November I said something to the committee about the steps which were being taken to increase our stock of rifles. My colleague the Minister of Munitions and Supply has been successful in that respect, and there are now additional rifles on the way to add to our stocks from the United States. These, I am advised, will suffice for our requirements until Canadian production begins. The committee will understand, of course, that these United States rifles could be used, if necessary, for operational purposes as well.

My hon. friend mentioned the Bren gun situation which existed some time ago, when, he said, infantry units had only enough Bren guns to look at. I can assure him that that is not the situation to-day. Bren guns are now being issued on what we consider to be an adequate training scale to the formations of the active army and also the training centres in this country. What is, perhaps, more important to the committee, all active units proceeding overseas will be equipped to full establishment, I believe, with Bren guns before they leave.

My hon. friend asked about Bren guns for training centres. I expect that at the present rate of production and on the present scale of distribution, all training centres will be adequately equipped by the end of May.

My hon. friend asked for information regarding the rate of output for Bren guns. As I have intimated, I am not going to give the figures, but I can come very close, because of the fact that the figures are mentioned in the contract. I can say, what I am sure will be satisfactory to him and the committee, that, as this month ends, there will have been delivered three times the number of completed guns which the contract called for up to this date. Further than that, in order to help in the front line until our additional formations get there, Canada is shipping directly overseas about one-third of the guns she is getting. That is, of course, in addition to the British allotment under the contract, which is also going overseas.

Mr. STIRLING: Meaning that two-thirds are going for training purposes?

Mr. RALSTON: Meaning that two-thirds of the Canadian allotment are going for training purposes and also to equipping formations which are still in Canada and which are going overseas.

The item of machine guns is not a major one at the moment. As I explained to the committee in November, we have machine guns to equip every machine gun battalion in the field on the basis of the present establishment. The committee will remember that I indicated that the establishment of machine gun units had been substantially lowered, and therefore as many guns were not required. We consider that we have sufficient for our coast defence units and for the advanced training centres. I believe that I mentioned last November that we had machine gun units which were surplus to this new establishment; that is to say, the new establishment which had come into force required less machine gun units, and therefore we had some surplus. Since that time we have converted two of them into other types of units. There may be further changes along that line.

There are some reserve machine gun units; whether they will be retained as such is a problem. If they are, we could do with more machine guns; but as matters stand, we consider that we have sufficient on hand to enable training to be carried on effectively for such units as are required.

Regarding field guns, I spoke a moment ago of the 25-pounders, and I wish to repeat what I said in November, that we have sufficient at least to equip the third and fourth divisions. Our plans are that only a portion of the field guns of the third division will be sent to England, and the remainder of this equipment will be supplied from United Kingdom sources. The committee will remember that our supply of field guns was augmented last summer. I will not mention the number, but it was substantial. Practically all of those, that is about six-sevenths of them, have already been high-speeded, as have all the 18-pounders. The field guns which we have

are, in the opinion of our staff, quite sufficient for training and for Canadian defence until 25-pounders are available. I do not think there is anything more I can say about the 25-pounders. As I stated last November, the Minister of Munitions and Supply has indicated and still indicates that a substantial number will be forthcoming this year. I had a full discussion about them with the war office. I have just mentioned our understanding with regard to the scale of equipment of field guns for the third division.

In the earlier stages of the production of 25-pounders it is likely that the bulk will be sent overseas to equip empire forces including our own. I should think that probably we would retain in this country only the minimum until production gets into its stride—that is, the minimum essential for training purposes. As a matter of fact, we have that arrangement now with the British.

With regard to universal carriers, this weapon is new to the war, but at the same time it is a most interesting one. Here again I am not going to give the committee the numbers of deliveries. Deliveries have commenced at a good rate, and our purpose is to make the best use of these carriers as they come off the line. What we are doing, to take full advantage of them, is to divide them up between Canada and overseas. For Canadian requirements, we have in mind training the units which are earmarked for formations planned for this year. To be more specific, I can say that at the present rate of production—even if there were no increase—our requirements on the training scale for the training centres in Canada and for active formations in this country will be filled, according to present calculations, in three months.

Let me say this in the same connection. We have made a schedule of deliveries for all the units and training centres which we think need these carriers, and we have allotted the exact number to be given to each, the order in which they are to be given, according to what our officers regard as priority. We have every unit's requirements planned out and have provided for the number which each unit should have in turn in the earlier stages. That includes not only units in Canada but those in the outposts as well, particularly in Newfoundland and Iceland. That is so far as Canada is concerned.

As I have said, we are making the allotment in two parts, part for Canada and part for Britain. The allotments for the United Kingdom will give us a large volume over there to complete the equipment of the corps, including the third division. To give the committee a general idea, perhaps I shall be going further than I ought to. I can say, however, that at the present rate of production, without any increase—and my colleague the Minister of Munitions and Supply will say that we are really just getting into our stride now—we shall have received in six months enough carriers to provide the initial war establishment equipment for every unit and formation of the Canadian army both overseas and here—that is, the Canadian active army. That is not taking into consideration the carriers which have already been issued to the units of the corps overseas through British sources.

Regarding signal equipment, my hon. friend the member for Yale discussed this question, mentioning the difficulty with the technical units and the trouble they are having in training without sufficient up-to-date equipment. These difficulties have been realized from the beginning. As I have explained on more than one occasion, we were advised, and we felt that there seemed to be no alternative, to get the British pattern equipment so as to have it interchangeable, and we put two of the outstanding firms in electrical apparatus to work on that job. I had a talk with the manager of one of them only last Saturday. There had been a setback in the target date he had given originally. That setback is over now because deliveries are being made in this particular type of equipment. I said to him, "How is it that you have had to set your date back?" He replied, "I must confess that there were 2,000 items, different bits and pieces in that particular piece of mechanism. We had to plan for tools, dies and jigs to deal with each one of these parts, and to be quite frank, we underestimated by a considerable percentage the number of machine tools that would be required." That is understandable, when they are working under pressure One cannot find fault. I am glad, however, that we had a target date to shoot at, even if there were delay, because I am sure it helped to some extent in making the delivery as prompt as it has been.

There have been disappointments and delays in the production of wireless sets—I believe wireless sets are what my hon. friend referred to particularly—but I am pleased to say that deliveries of sets of one pattern will begin, not in a few months or in a few weeks, but in a very few days, and the rate of delivery is expected to be such that our requirements will be complete within a month. The other wireless set will be rather slower, beginning in May, but this will not interfere with

training, although we want them as quickly as possible. In the meantime, we have had a certain amount of wireless equipment in the training centre, and such equipment has been augmented by commercial line telephone sets adapted to army use. We have received these in large numbers. We are now also receiving satisfactory deliveries of standard field telephones in very large quantities.

With reference to signals lights and so on, I might mention that orders have been placed. Some deliveries have been coming in and we anticipate no delay.

My hon. friend mentioned motorcycles. I would remind him that the motorcycle unit as such is no more, so far as the Canadian active army is concerned. All of them have been converted into units of the Canadian armoured corps. Of course, some motorcycles are needed for units that are not actually motorcycle units, but we have been able to procure all motorcycles which we considered were required. My hon. friend may have had in mind some particular case in which they have been short, but we have been able to procure all the motorcycles which in our opinion were required for training up to the present, and we do not anticipate any difficulty in meeting the needs for the future for such motorcycles as may be required for army purposes. Motorcycles are not manufactured in Canada, or have not been up to date, and we have procured requirements from England and, later, from the United States. Probably the Minister of Munitions and Supply would tell the committee that for the future such requirements as we have will likely be filled from the United States, because the type we use in the army is practically standard production there.

Mr. STIRLING: If a motorcycle unit does not still exist, the individuals who composed it must exist and must need motorcycles, or what have they become? Are they not a unit?

Mr. RALSTON: They are in the Canadian armoured corps. Some form the reconnaissance squadron of the Canadian armoured corps, but the same establishment is not required.

Mr. STIRLING: Not so many are required?

Mr. RALSTON: No. My hon. friend will understand that in the reconnaissance squadron there is a reconnaissance side car which is used and which will probably be of the pattern which was adapted overseas on General McNaughton's suggestion—a side car that carries a machine gun.

Regarding tanks, I will not deal with these since the matter has had the fullest discussion by the Minister of Munitions and Supply. The MacMillan report was laid on the table, and it gave the committee the benefit of Mr. MacMillan's views as to the probabilities with regard to production. I do not think I can usefully add anything to the statement except to repeat what I said a moment ago when the main resolution was before the committee, namely, that we have arrangements with the British which are considered mutually satisfactory, whereby armoured formations, for which we have pledged ourselves and for which we have planned, will be equipped between British and Canadian production.

Mr. STIRLING: I excluded that.

Mr. RALSTON: Yes. In that connection the committee might be interested to know this.

In connection with the production of tanks I think I can say that there is as good coordination between the Department of National Defence, the Department of Munitions and Supply and the manufacturers as there could possibly be. We have a tank committee presided over by the director of munitions in the ministry of munitions and supply, and the Department of National Defence is represented there by men from the ordnance department and the general staff who are particularly interested in the requirements for tanks and in the general design and types of tanks and the needs of the various formations. On the committee, too, there are representatives of the Department of Munitions and Supply in touch with the manufacturers and are able to say whether or not the thing which is wanted is possible of production here having regard to the materials and workmen and plant facilities available. I have been pleased with the way in which the tank committee has got together in connection with modifications which have to be made and matters which come up constantly with regard to the manufacture of tanks. The committee may be interested to know that there are some ten thousand individual drawings for the manufacture of tanks.

With regard to mechanical transport I do not think the committee will expect me to take much time. We regard the situation as good. As the committee know, we have been supplying large quantities not only to the Canadian forces but to empire forces overseas, and I think Canadian transport played a substantial part in the Libyan campaign a few weeks ago. The only limitation placed on the issue of mechanical transport to troops in Canada has been due to the fact that one hundred per cent establishment is not needed for training. We could have supplied more if needed; there is in fact a surplus available above our present requirements. The committee will be particularly interested to know that the formations proceeding overseas, for instance, will be fully equipped from Canadian production. I should perhaps except a few—only a few—special type vehicles which are not manufactured in this country and which it would be economically unsound to procure here, a few of which are needed for each division. I think the committee listened to Mr. Wallace Campbell's statement when he spoke a few weeks ago with regard to the production of mechanical transport for army service purposes.

With regard to munitions, provision has been made for all small arms artillery ammunition required for operational purposes and training in this country. In addition, small arms ammunition is being produced in enormous quantities for British account. Our policy in connection with this production is to ship overseas everything we possibly can; what our forces require there will be met from that supply. On account of the urgency of the situation abroad, we deliberately planned to retain in this country only a sufficient amount for operational necessities and for the training of the troops here.

In connection with gas respirators, I spent an interesting Saturday afternoon at the gas respirator assembly plant here. I think hon. members would be interested in visiting it. Respirators are being assembled at our own plant at the research building; they are being delivered in large quantities and within a month or so, all the active formations will be fully equipped. Production is in excellent shape. Production has been such that if we had used them all for the Canadian fighting forces, we would have met the full requirements of the active army, the navy and the air force. Production, however, was diverted a bit to promote increased deliveries on a big order from south Africa. The army already has had enough to provide initial equipment for all the active army both here and overseas and for one-third of the reserve ranks as well. We anticipate that there will be no trouble in filling all requirements on time, as they are needed.

That is a brief résumé of the equipment situation. I happen to be the customer; my colleague the Minister of Munitions and Supply is to some extent the supplier—at least he is the procurer; the real supplier is Canadian industry. I have faith that Canadian industry will do the job that is before them. They have had disappointments and discouragements; those have been translated into some setbacks and discouragements to us. As I have indicated, however, we are not lying down; we are going ahead full blast endeavouring to make the best use of what we have, seeing that the cardinal policy is observed, that is, to send overseas all we possibly can, also doing everything we can to speed up production by regulating our priorities. We in the Department of National Defence will not rest until we have everything to equip our troops. We are not boasting but we do feel that substantial progress has been made and that the serious shortage of equipment which I mentioned both in July and November is being gradually but, I think, surely overcome.

May I ask my friend the leader of the opposition what he would desire with regard to some other information which was asked for, namely, the matter of the cost of training camps. There is a long table which he wanted, and there were some questions put to me by other hon. members with regard to financial matters, training centres, et cetera. It is a long statement—

Mr. HANSON (York-Sunbury): If it is tabulated, that will serve my purpose; I have no wish to discuss it.

Mr. RALSTON: If I could put it on *Hansard*—

Mr. HANSON (York-Sunbury): That will serve the purpose.

Mr. RALSTON: Then, with the consent of the committee, I place on *Hansard* the following statement:

39 Training Centres (N.R.M.A.)

Estimated cost of construction, including roads, sewers, power and water supply and installed equipment, etc., in connection therewith

Military district and place	Actual payments made (at Ottawa to March 15 in Districts to February 28)	Estimated outstanding claims	Total actual and estimated
(A) Centres constructed by private contract (materials generally purchased by Department of Munitions and Supply).			
M.D. 2—Brantford, Ont.	$ 200,374	$ 43,405	$ 243,779
Long Branch, Ont.	308,345	20,443	328,788
M.D. 4—Huntingdon, P.Q.	316,759	6,168	322,927
St. Hyacinthe, P.Q.	199,707	16,414	216,121
Valleyfield, P.Q.	205,804	24,319	230,123
M.D. 6—Yarmouth, N.S.	151,676	12,033	163,709
Charlottetown, P.E.I.	59,376	12,346	71,722
M.D. 10—Portage la Prairie, Man.	130,237	3,987	134,224
Fort William, Ont.	66,379	649	67,028
M.D. 12—Regina, Sask.	110,086	1,000	111,086
M.D. 13—Red Deer, Alta.	206,239	7,873	214,112
	$1,954,982	$148,637	$2,103,619
(B) Centres constructed by the engineer services of the department of defence (materials generally purchased by Department of Munitions and Supply).			
M.D. 1—Kitchener, Ont.	$ 326,014	$ 3,368	$ 329,382
Woodstock, Ont.	293,645	2,230	295,875
Chatham, Ont.	348,527	7,132	355,659
M.D. 2—North Bay, Ont.	266,946	8,667	275,613
Newmarket, Ont.	337,599	8,563	346,162
M.D. 3—Brockville, Ont.	300,364	8,662	309,026
Cornwall, Ont.	306,698	207	306,905
Peterborough, Ont.	237,344	670	238,014
M.D. 4—Farnham, P.Q.	309,437	48,519	357,956
Joliette, P.Q.	314,512	11,081	325,593
Sherbrooke, P.Q.	326,627	21,406	348,033
St. Jerome, P.Q.	338,242	18,398	356,640
Sorel, P.Q.	239,883	89,382	329,265
M.D. 5—Valcartier, P.Q.	109,909	2,204	112,113
Chicoutimi, P.Q.	147,003	1,390	148,393
Megantic, P.Q.	134,823	1,804	136,627
Lauzon, P.Q.	249,484	335	249,819
Montmagny, P.Q.	246,530	792	247,322
Rimouski, P.Q.	234,236	4,306	238,542
M.D. 6—New Glasgow, N.S.	144,175	13,283	157,458
M.D. 7—Fredericton, N.B.	241,930	3,912	245,842
Edmundston, N.B.	186,871	5,195	192,066
M.D. 10—Brandon, Man.	309,054	....	309,054
M.D. 11—Vernon, B.C.	342,433	19,554	361,987
Gordon Head, B.C.	383,635	27,617	411,252
M.D. 12—Dundurn, Sask.	88,619	931	89,550
M.D. 13—Camrose, Alta.	237,495	6,449	243,944
Grand Prairie, Alta.	127,440	8,910	136,350
	$7,129,475	$324,967	$7,454,442
Total	$9,084,457	$473,604	$9,558,061

Mr. STIRLING: The statement the minister has put on the record will be of considerable service. He made it in response to a request of my own. I knew that I was asking a question which many people in Canada were asking, as to the situation with regard to equipment for units in training. The success that has been attained in producing this equipment must, of course, be measured by the difficulties which have been surmounted, and neither I nor anyone else outside government departmental circles can measure those difficulties. The minister cannot be satisfied himself that all the difficulties have been surmounted, all the equipment has been provided; he must observe with regret that units are not yet able to carry on their training as they will be able when they are fully equipped. I have, however, no doubt that the difficulties have been considerable, and I fancy the progress made has also been considerable. If active service units in training in Canada are not adequately supplied with equipment, it follows that the training camps cannot have what they need and certainly the reserve units must be very short indeed. But I realize that so many changes of plan have taken place after the slow start that was made, that now that equipment is being produced in Canada in so many places it is greatly to be hoped that the progress attained will be but a measure of the progress which will be attained, and that the training will be able to go forward without this aggravating use having to be made of something which is not the equipment with which the troops will have to fight.

Mr. RALSTON: Not aggravating. Sometimes it is a good thing.

Mr. STIRLING: I know from my correspondence and contacts that there are men in units who have been, shall I say, losing heart because for too long they have been looking on at attempts at training with equipment which is not the equipment with which they will have to do their work. Let us leave it at that. I think the information the minister has given will be of considerable assistance. The amount of information given is the responsibility of the government; and we on this side of the house have never urged that the minister should go further than he sees fit to go in giving information. That amount of information which has been given is what we pass on to the public who ask us.

There is another matter on which I should like to ask the minister whether he would care to make a statement for the information of hon. members, again in order that they may pass it on to those who ask them questions. The position of the Canadian army overseas in reference to the British army is not at all clear. To what extent is it an entity whose organization, administration and operations are entirely in the hands of the Canadian general staff and, behind the general staff, the minister and the government? Is the minister able to clear up this difficulty? Is the decision with regard to where the Canadian forces may be used entirely at the discretion of this government? Is it worked out in collaboration with either the imperial general staff or the British government? To what extent is (a) the organization, (b) the administration and (c) the operations, which are the three main factors of military direction, solely in the hands of Canada? May we say that Canada and Great Britain are partners, directing the course of these operations, and that, therefore, Canada has a voice, an equal voice, a predominating voice, in the decision with regard to the organization, administration and operations of the Canadian forces?

Mr. RALSTON: I hesitate to make a statement in that connection, particularly with regard to the last point, without bringing down the Visiting Forces Act.

Mr. HANSON (York-Sunbury): What is the effect of it? It is a very obscure statute, is it not?

Mr. RALSTON: My hon. friend is quite right. I am afraid the only one who understood it, if I may say so, was my friend the late Minister of National Defence, who seemed to have a clear appreciation of it.

Mr. HANSON (York-Sunbury): And I think Mr. Bennett understood it.

Mr. RALSTON: Speaking generally, the Canadian forces, for administration, organization and operations, are responsible to the commander of the Canadian corps in so far as the corps is concerned, and the senior officer at Canadian military headquarters, in so far as troops are not in the corps; and through them to the government of Canada. I would say the commander of the Canadian corps has a perfect right to refer to the government of Canada at any time he is asked to carry on an operation, if it should be thought fit—

Mr. HANSON (York-Sunbury): Would it be saying too much to say that he is obliged to do that?

Mr. RALSTON: No, I do not think that would be going too far. He is responsible to the Canadian government if he carries on an operation without consulting the government; let us put it that way. I may say that reference was made to the Canadian government in connection with the Norwegian campaign

and also in connection with sending troops to France. Reference was made before action was actually taken.

Mr. HANSON (York-Sunbury): Was it not really ratified by the Canadian government afterwards?

Mr. RALSTON: Hon. members can realize that, on the ground, plans would be made in the expectation that the Canadian government would ratify the judgment of the officer commanding the Canadian corps, if he saw fit to commit his troops; but in connection with one of these matters I have a distinct recollection of communications indicating most clearly that the Canadian government must be consulted with regard to matters of this kind. It is not a case of ratification; it is a case of approval.

Mr. HANSON (York-Sunbury): Beforehand?

Mr. RALSTON: Beforehand. I am talking particularly about moving out of England.

Mr. CASSELMAN: Would that be so if the governor in council had passed the order in council which is provided for in either section 6 or section 8 of the Visiting Forces Act?

Mr. RALSTON: Yes, in my opinion. My view was mentioned at the time, if I know what my hon. friend is referring to; it was that section 6 or 8 applied only to the operation of troops in the United Kingdom, not outside.

Mr. MARTIN: The question raised by the hon. member for Yale is extremely important. It may be the minister feels that at this time the committee should not be fully informed as to the situation; but when one recalls the criticisms of the direction by Canada of military strategy in the last war, I think it is open to hon. members to consider the question seriously at this time. From what the minister has said, I suspect that he proposes later to bring down the act and perhaps discuss the matter more intimately, but I should like to put a question now perhaps for reply later. To what extent, for instance, does General McNaughton sit down and assist in the initiation of a particular programme? From the reply of the Minister I gather that there is consultation. Does that mean consultation after a decision has been reached, or is the decision arrived at with the participation of officers of the Canadian forces?

Mr. RALSTON: Without getting more intimate information, to use my hon. friend's adjective, I can only say that I have talked with the present chief of the general staff, who was in England at the time of the two operations to which I referred, and I have been in England myself and know the collaboration that exists there. I think I can say without hesitation, and even without checking up, that never has there been a proposal by the war office to utilize Canadian forces without the officer commanding the Canadian forces being present and taking part in the discussions.

Mr. HANSON (York-Sunbury): In other words, if I appreciate what the minister is saying, there has been full collaboration between the commander in chief of the Canadian forces in England and the war office. Is it fair to say that there is still, as there used to be, full collaboration and discussion between the two staffs as to proposed dispositions and operations in England, or do those discussions have to come through some other government agency such as the high commissioner, or to the government here and then to the general staff? It seems to me the minister would be doing a service by clearing up this situation if it would be permissible to do so. I do not wish to ask him to make statements that might be contrary to public policy or prejudicial to the safety of the state, but perhaps he would give a factual statement as to just what is the position with relation to our forces over there and their collaboration with the British forces.

I realize that there is a principle at stake, that at all times the civil authority must be paramount except perhaps in case of a great national emergency when action may have to be taken. That, however, is not the position to-day. After all, I suppose it is a sound principle to assert that the civil authorities still must be above the military, naval or air authority in connection with operations and dispositions. I should like to know what is the modus operandi. There is some discussion going on with regard to this matter, and I have received communications. I am not a military man, and I had to ascertain as best I could what was the true position. I believe it would be helpful if the minister would give a statement as to the exact position. I know that the Visiting Forces Act was set up for a purpose. I have not refreshed my memory respecting the debate which took place when Mr. Bennett introduced the bill, but with all due respect to the Minister of National Defence I do not believe anyone understood the implications in that measure better than did the former Prime Minister. As I understand it, the measure was passed after a definite arrangement with the British authorities. It was felt that a policy would have to be embodied in a statute.

I would ask that the minister make an explanation at a later time, because this is a matter which may have some practical importance. If he would make a statement respecting the true position as to the matters raised by the hon. member for Yale, we would be greatly obliged.

Mr. RALSTON: I shall endeavour to have a statement after eight o'clock.

Mr. GREEN: Has there been any reduction in the age limit for recruits for the active army? A press dispatch appeared in the Vancouver papers last Tuesday stating that the limit had been reduced from nineteen to eighteen years. Is that correct, and, if so, why was the change made?

Mr. RALSTON: If it has been made, it was without the minister's knowledge. I shall, however, find out.

Mr. GREEN: The press dispatch states:

> Reduction of the age limit for recruits from nineteen to eighteen was announced to-day in Victoria by Lieutenant-Colonel H. E. Goodman, district recruiting officer. Youths of eighteen will now be accepted for training, but not for service overseas. Previously none below the age of nineteen was taken on here.

The minister has no information on that?

Mr. RALSTON: No, none.

Mr. HANSON (York-Sunbury): I would call the attention of the minister to a statement which has been handed to me by one of my colleagues. I believe the minister has given a restricted interpretation of the application of this section. Perhaps he would include that in his statement this evening.

Mr. RALSTON: Yes. I was thinking of an order in council which we passed by which we can place some limitation on the employment of Canadian forces overseas. I have it in mind that an order in council was passed which outlined the extent of the powers of the senior combatant officer of the Canadian forces.

Mr. HANSON (York-Sunbury): Was that as a result of the Norway incident?

Mr. RALSTON: No; it was before that.

Mr. HANSON (York-Sunbury): Before the resolution carries, there is a matter of some importance which I believe might properly be mentioned at this time. On March 27 the leader of the government group in the other chamber made what seems to me an astonishing and, may I say, ill-considered and ill-timed statement.

The CHAIRMAN: It is not permissible in this house to refer to the debates of the other house.

Mr. HANSON (York-Sunbury): I shall not go into those debates, but I wish to base my question upon that preliminary statement. Will the government bring down the papers referred to in the debate in the other house wherein it was suggested that certain things were refused to be done by either British nationals or the British government? The minister will know exactly what I am referring to.

The CHAIRMAN: I would draw the attention of the leader of the opposition to the point that his question should not have any reference to the debate in the upper house.

Mr. HANSON (York-Sunbury): Then I shall say "in another place."

The CHAIRMAN: Even that would not be satisfactory. No reference to a debate in the other place can become part of the debate in this house.

Mr. RALSTON: Perhaps my hon. friend would—

The CHAIRMAN: The leader of the opposition can put a direct question to the minister, without making reference to the other house, at all. If we were to begin breaking that rule, we would fall into a chaotic condition.

Mr. HANSON (York-Sunbury): Mr. Chairman, I understand the technicalities of the ruling you have given—

The CHAIRMAN: I am sorry, but it is not a technicality.

Mr. HANSON (York-Sunbury): That is my interpretation of your remarks, and I do not think you are entitled to face me down on that.

The CHAIRMAN: Order. It is not permissible for any hon. member in the house to address the chair as the hon. member has just done.

Mr. HANSON (York-Sunbury): Oh, well, I am not—

The CHAIRMAN: Order. Furthermore, it is not open to any hon. member to question the ruling of the chair, except by appeal to the house.

Mr. HANSON (York-Sunbury): I was not questioning the ruling of the chair.

The CHAIRMAN: The ruling of the chair was not a technical question, but a fundamental rule of debate. Therefore my ruling is given, not as a technical point but as a fundamental rule of debate, namely, that in a debate in this chamber no reference can be made to a debate which has occurred in another place. Therefore, if the leader of

the opposition desires to appeal, he may do so; but he cannot discuss, in a way which I shall refrain from qualifying, the ruling of the chair—except by appeal.

Mr. HANSON (York-Sunbury): Well, Mr. Chairman, a member of the government has made a certain statement with respect to the failure of the British government, and with respect to British industries refusing to produce certain blue-prints so that we might have production in Canada. I now ask the government to bring down a statement indicating what blue-prints were refused, by whom, for how long, and to what extent the British government was in any way in complicity with such refusal. The statement having been made by a member of the government, we are entitled to production of the papers.

Mr. RALSTON: I shall take note of my hon. friend's question.

Mr. GILLIS: Canadian infantry units now being trained for service overseas are not supplied with a slicker or raincoat of any description. I have had letters from several members of the infantry forces training throughout Canada asking that the matter be brought to the attention of the government. This is only a small matter, of course, but it may be of some importance to a sentry on a wet night. Has the minister any information on the point, and, if so, will any effort be made to improve matters?

Mr. RALSTON: Probably the hon. member knows that such equipment is now being issued to certain units—and I believe to all units—for the purpose of protection against gas. I shall, however, look into the matter.

Mr. HANSON (York-Sunbury): I am sorry the Minister of National Defence for Air (Mr. Power) is not in his seat—

Mr. RALSTON: He is in Nova Scotia.

Mr. HANSON (York-Sunbury): I have no desire to hold him to his seat, of course. There has come to my attention over the week-end a matter in connection with which he would have special information. When recruiting for the air force began, it will be recalled that the educational requirements were exceedingly high. My recollection is that a man had to have university training and, I believe, a degree.

Mr. MARTIN: That has been changed.

Mr. HANSON (York-Sunbury): I know it has, but I thank the hon. member for the information. Because our young men were keenly air-minded, and desired to get into the air force, the major portion of those who enlisted did not have university degrees and, therefore, had to enlist in other branches of the service. They could not enlist to become pilots—the natural ambition of any high-spirited, red-blooded young man in Canada. Then, for some reason or another, which I am not going to investigate, the educational requirement was reduced, and these young men had to have only the equivalent of matriculation to one of our universities. That was quite all right, but in the meantime hundreds of young men had enlisted in other branches of the service, particularly in the mechanical branch. Some of them were probably just as well qualified, except for the educational requirement, as many of those who went in to become, finally, pilots and observers. Perhaps a good many of them were better qualified.

What has happened? Many of these young men have applied for transfers from the mechanical branch to the other branch of the service which they originally desired to join but which they were prevented from joining by the educational requirements which they could not meet. Will someone in the government look into this matter and see if at least some of these young men cannot be transferred to the other branch of the service? It is quite apparent that all those in the mechanical branch cannot be transferred, because the force needs mechanics. I quite realize that these men have been given training and that they cannot all become pilots or observers. Would it not be possible, however, to have some of them transferred so that they might fulfil their ambition and serve in this important capacity? Provided they possess the necessary alertness and so forth required by pilots or observers, I believe with their mechanical training they will probably make better pilots and observers.

At the present time these men are entitled to apply for transfer. I am told that when they do they receive a courteous reception, but no action is taken, and practically none have been transferred. The reason may be that mechanics are needed, I do not know. I would not assume that all these young men are required as mechanics. The best that they can hope for now is to become non-commissioned officers. Willy-nilly they are being forced to remain in the branch in which they enlisted, and they find that they cannot become officers. The principle has been adopted in the infantry to train as officers only men from the ranks, and this is a fine democratic principle to adopt. I ask the minister or someone in the administration to be good enough to look into the position to which I have referred and tell us whether it can be remedied. If it cannot be remedied, perhaps

we can be told why. There is great dissatisfaction among many of these young men who enlisted immediately after the war broke out.

I have in mind the case of a young man who enlisted in September, 1939. He did not have a university degree, as was required at that time, so he went into the mechanical branch. For months now, all he has been doing is to put oil and gas into aeroplanes, and he is just as well qualified as anyone to be a pilot or an observer. There seems to be discrimination here, and I should like to have the position clarified. If it is possible, having regard to the change in policy in connection with the educational requirements, to have some of these men transferred in order that they may become pilots or observers, I think it should be done.

Mr. RALSTON: I shall be glad to make inquiry. The point that interests me, the point which my hon. friend has anticipated, is that these men may be needed in the ground service. Otherwise, one would think that they would have been transferred because obviously the purpose of the change is to get more men in the air. In the army, men ask for transfers from one branch to another, or sometimes from one service to another. It is sometimes found that much time and money has been spent on training a man, that he has become qualified for a certain job and it is not considered to be in the public interest that he should be transferred to another branch for personal reasons, and have to be trained all over again in the new job. I assume it is desired to go on with this. I was just looking for the best way to make the statement which has been referred to without delaying the passage of the resolution.

Mr. HANSON (York-Sunbury): Suppose we call it six o'clock and have it understood that the minister will make the statement after eight o'clock. As far as we are concerned, it could be done when the bill is in committee.

Mr. ILSLEY: Shall we pass the resolution now?

Mr. JOHNSTON (Bow River): I have been informed that men from as far west as Calgary, or even as far as British Columbia, have been required to go to Toronto to get their uniforms. They spend two or three days there and all they do is to get uniforms. This seems to me to be a tremendous waste, and I should like to know if the minister can enlighten us in this regard.

Mr. RALSTON: All I know is that the manning depot is at Toronto. I suppose that is similar to the army depots where men are examined, documented, issued with uniforms and so on. I think something more is done than just simply issuing a uniform to a man. Whether or not it is more convenient to do it in other places, or whether it is desirable to have it done in one central place, I do not know. As I remember, the only manning depot is in Toronto.

Mr. HANSON (York-Sunbury): There is one in Brandon.

Mr. RALSTON: Then my hon. friend's question is more in order if they come past Brandon to Toronto. I shall be glad to look into the matter and give my hon. friend an answer. I think there must be an answer.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 25, for granting to his majesty aid for national defence and security.

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.

TRANS-CANADA AIR LINES

EXTENSION OF INITIAL SUBSIDY PERIOD—CHANGING OF FIXATION-OF-RATES PERIOD

The house resumed from Thursday, March 20, consideration in committee of the following resolution—Mr. Howe—Mr. Vien in the chair:

Resolved, that it is expedient to amend the Trans-Canada Air Lines Act, 1937, changing the period for the fixation of rates for the current year, as defined in the act, and extending the initial period during which a subsidy may be payable to Trans-Canada Air Lines.

Mr. MacNICOL: What is the background of the proposal?

Mr. HOWE: This proposal was discussed at great length about a week ago; and at that time, although we had to report progress in order to let another item of business go through, I believe the discussion had about ended. This is a proposal which changes the act to the extent that compensation for the carriage of mail is not fixed automatically but is fixed arbitrarily. Owing to the fact that the expansion of the line is quite rapid, the arbitrary figure set out in the act is, under present circumstances, hardly fair to the post office. In other words, this permits us to change the rate per mile for carrying mail from an automatic rate of 53 cents to a negotiated rate of 40 cents. Also it changes

the period in which the new rate shall apply so that it runs from the first of April to the first of April, instead of from the first of January to the first of January.

Mr. MacNICOL: Will the rate be automatically set by the Post Office Department?

Mr. HOWE: After April, 1942, the automatic feature will apply; that is, the rate will then be fixed automatically.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 26, to amend the Trans-Canada Air Lines Act, 1937.

Motion agreed to and bill read the first time.

PRECIOUS METALS MARKING ACT

AMENDMENTS WITH RESPECT TO GOLD WATCHES AND SPECTACLE AND EYEGLASS FRAMES

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved the third reading of Bill No. 12, to amend the Precious Metals Marking Act.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. C. D. HOWE (for the Minister of Transport) moved the second reading of Bill No. 13, respecting the appointment of auditors for National Railways.

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

On section 1—Appointment of auditors.

Mr. MacNICOL: Are they the same auditors as last year?

Mr. HOWE: Yes, the same auditors, and the same compensation. This bill, I believe, is exactly the same as the bill last year.

Mr. HANSON (York-Sunbury): What is the compensation? I am not sure whether I know.

Mr. HOWE: It is $50,000, and I believe that a small fee was added to cover subsidiary companies such as the Canadian National Steamships and the Trans-Canada Air Lines.

Mr. HANSON (York-Sunbury): They are not subsidiaries of the Canadian National itself.

Mr. HOWE: They are, I might say, wholly independent companies.

Section agreed to.

Bill reported.

NATIONAL PARKS

PRINCE ALBERT—PROVISION FOR WITHDRAWING CERTAIN AREAS OF LAND AND ESTABLISHING NEW BOUNDARIES

Hon. T. A. CRERAR (Minister of Mines and Resources) moved the second reading of Bill No. 20, to amend the National Parks Act.

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

Section 1 agreed to.

On section 2—Prince Albert national park lands.

Mr. DIEFENBAKER: Mr. Chairman, all of us realize the great benefits of parks in providing an opportunity for healthy relaxation and also for the conservation of game. This committee should have an explanation from the minister why the Prince Albert national park is to be reduced in area, as is set out in the bill. The reduction in area will be approximately one-fifth. This is the only national park in Saskatchewan. If my memory is correct, it was established in 1927, following the election of the Prime Minister in the constituency of Prince Albert.

The reasons given by the minister when the bill was introduced were, as I understood them: first, that the area which is being removed from the park boundaries is to be so removed because it is swampy. May I point out that, in so far as the eastern portion of the park is concerned, that area is covered in the main with timber, and that this timber is valuable and, I think, necessary to the preservation of the water courses within that park.

The main reason given for cutting down the area of this park is that it will reduce the cost of fire ranging; but when we look at the estimates for the year 1941-42, it is apparent that that cannot be the reason for reducing the area of the park. At page 116 of the estimates for 1941-42, under the heading of "temporary assistance," there is an amount of $95,789, a reduction of some $8,000 as compared with the preceding year; but under the head of "wages" there is an increase of $30,000 among the various parks throughout the dominion.

The stand of timber in the eastern portion of this park is a valuable one, and it is being sought by certain interests in northern Saskatchewan who are endeavouring, I understand, to obtain an opportunity to take over this area of timber. For that reason I protest against the reduction in the size of the

park. Lumber is needed now, yes; but there are other places in northern Saskatchewan where timber is available. As regards the argument that a part can be set aside for settlement, there is a great deal of land there for settlement without reducing the area of a park which up to the present time has been generally accepted as being of the proper size.

The minister has stated that there has been no request from the government of Saskatchewan to reduce the area of the park. The explanation is that there is a saving in the cost of fire ranging. That, however, is scarcely tenable having regard to the estimates that have already been given, and I should like the minister to give a further explanation, showing the committee in detail what that saving will be. I point out to him, as he already knows, that no other areas are available in the future that will allow for any addition to the park. I should like to have a full explanation from him.

Mr. CRERAR: There is little to add to the explanation I gave when the bill was in the resolution stage. The hon. member for Lake Centre rather hints that there is something dark and mysterious behind the suggestion that the area of the park be reduced. There is nothing to that, further than the degree to which it exists in the hon. member's imagination. As a matter of fact, as I stated when the bill was in the resolution stage, the recommendation came to me from the officials of the department. It did not come from any member of the Saskatchewan government or from anyone who might be interested in timber. It is true that there is some timber in this area which is being taken out on the eastern boundary of the park. As I stated previously when the matter was before the committee, there are three separate blocks being removed from the park. One of them, the largest one, is the eastern portion of the park now and consists, as I stated before, of swampy land and timber. I never said that there was not a certain amount of timber being taken out of the park. I stated before that the area was timber and swampy land, and I stand by that. That is the area on the eastern boundary. The added economy may not be very great, but it will amount to something.

An hon. MEMBER: How much?

Mr. CRERAR: I could not say—perhaps the expense of a couple of timber rangers. In addition to that, there is the maintenance of a portion of the road that runs through the park to Montreal lake which, when this area is removed, will become the burden of the Saskatchewan government.

[Mr. Diefenbaker.]

Mr. MacNICOL: We shall have to pay it anyway.

Mr. CRERAR: At any rate, I can tell the hon. member that it will not be paid by the parks branch, and that is what I am mainly interested in. Then there is a small area of eleven square miles which is to be added to an Indian reserve. I was in error the other evening when the leader of the opposition asked me if that provision would be in the bill. The arangement is that these areas are transferred to the province, and by agreement with the province certain lands are transferred back to the federal government for Indian reserve purposes.

Mr. HANSON (York-Sunbury): Why is that method followed?

Mr. CRERAR: It is the simplest method of dealing with the matter, and I always believe in pursuing simple rather than complex methods.

Mr. HANSON (York-Sunbury): It would not appear to me to be so. Title is now vested in the crown in the right of the dominion; all you have to do is by proper order in council, or, if necessary, by this bill, to transfer it to the Indian Affairs branch, and the title never changes.

Mr. CRERAR: Except for this—and I speak subject to correction—that in the transfer agreement under which the resources were returned to the province, any land set aside for park purposes that ceased to be used for this purpose would be returned to the province. This, at any rate, is the simplest method of dealing with the matter. The reduction is not nearly so serious as the hon. member for Lake Centre supposes. The area of the park at the present time is 1,870 square miles. What is taken out is 376 square miles, and of that a block of eleven square miles comes back to the government to increase the area of the Indian reserve, which we need rather badly.

Mr. MacNICOL: Is it the swamp that goes to the Indian reserve?

Mr. CRERAR: The timber in the muskeg area does not go to the Indians. The land that is being added to the Indian reserve is fair agricultural land. That is the description given me, and I have no reason to doubt it.

Mr. HANSON (York-Sunbury): How much timber is in the part that is going to the Saskatchewan government?

Mr. CRERAR: I am afraid I cannot tell the leader of the opposition.

Mr. HANSON (York-Sunbury): It seems to me we ought to know what we are giving away; we ought to know the value. I understand that certain interests in northern Saskatchewan are lumbering on the fringe of this reserve, and that they have cast their eye—I will not say evil eye; perhaps "covetous" is a good word—on this stand of timber and will get it much easier one way than another. They probably could not get it as long as it is part of the park. The minister ought to be able to tell us what stand of timber this is.

Mr. CRERAR: We have not had any occasion to cruise the timber.

Mr. HANSON (York-Sunbury): Surely the department has some data on it.

Mr. CRERAR: As far as my knowledge goes, no lumbering operations are being conducted there.

Mr. CASSELMAN: Is that a definite statement of the minister's own knowledge?

Mr. CRERAR: The recommendation comes from the officials of the parks branch.

Mr. HANSON (York-Sunbury): Well, you could get a recommendation to hang a man.

Mr. CRERAR: Does my hon. friend wish to insinuate that some influence is brought to bear on the departmental officials?

Mr. HANSON (York-Sunbury): I do not know anything about the matter but I am trying to elucidate the truth.

Mr. CRERAR: The parks officials recommend that this area be taken out because it is not needed for park purposes.

Mr. HANSON (York-Sunbury): Has the minister the recommendation there?

Mr. CRERAR: There is still left almost 1,500 square miles; that is a pretty good sized park. I am sure if the leader of the opposition had a park even a fifth of that size for New Brunswick, he would get up and cheer for it.

Mr. HANSON (York-Sunbury): I would not give any of it away.

Mr. CRERAR: We are not giving this away. The procedure for handling this is the usual one. On more than one occasion changes in park boundaries have been made. If we do not need an area for park purposes, it goes back to the provincial government.

Mr. MacNICOL: The minister said, "We are not giving it away." Then what are we getting for it?

Mr. CRERAR: We are giving it back to the province.

Mr. HOMUTH: Who will get it from the province?

Mr. CRERAR: I have not the remotest idea; I have enough on my hands to run my department without attempting to tell the Saskatchewan government what they should do.

Mr. HOMUTH: But the minister ought to know the value of this property and the timber and what we are giving away. We do not give it away in Ontario.

Mr. CRERAR: We have not had occasion to cruise this timber; why should we?

Mr. HOMUTH: That should be one of the jobs of the park rangers and the park superintendent, to know the value of the park lands and the timber on them.

The CHAIRMAN: The minister has the floor. If any hon. member desires to question him, I would ask him to do it in an orderly way.

Mr. PERLEY: In the explanatory note, the last paragraph reads:

> The department has been in communication with the government of Saskatchewan—

Would the minister table this communication, or say what it is?

Mr. CRERAR: When we decided to reduce the area we took up with the Saskatchewan government the question of securing the additional eleven square miles to which I have already referred. As far as I am aware, the communications cover only that point. The Saskatchewan government has agreed, and the Indian reserve will be increased accordingly.

Mr. HANSON (York-Sunbury): Has the minister the communications with him and the recommendation of the parks branch? We have had this big national park there for years. Does the minister mean to tell us that he does not know anything about the resources on it? That is astonishing. They must know in the parks branch how much timber is on this area. What are the fire rangers and the other officials doing there? There should be some information as to the stand of timber on that part which we are now giving away.

Mr. CRERAR: There may be an estimate in the branch as to the amount of timber, but I do not see that that comes into the question at all. We are not operating the national parks as timber limits. We do not wish to give an area in a national park to some timber operator to cut timber on.

Mr. HANSON (York-Sunbury): The minister misses the whole point of the inquiry. We wish to know, if an asset of the dominion is being handed over to a province for nothing.

how much that asset is worth. If it has valuable timber on it, it will soon be on the market. Indirectly we are giving a subsidy to the province of Saskatchewan; we should have all the information the department has. Surely that is a reasonable request.

Mr. ROWE: It may be summer-fallowed.

Mr. CRERAR: I do not think there is any summer-fallow in connection with that. The National Parks Act provides for the setting up of national parks for specific purposes, and the matter of going into the lumber manufacturing business is not one of these.

Mr. HANSON (York-Sunbury): The minister's lack of information about natural resources which are owned by the dominion, and which he proposes to give away for nothing, is extraordinary.

Mr. CRERAR: If my hon. friend will let me continue, I will tell the committee that it was not the purpose, in establishing national parks, to gather in timber and resources of that kind in order to operate them for the benefit of the federal government. The parks were created as national playgrounds. This area does not contribute to that purpose; therefore, it is being dropped and, under the agreement by which we are governed, the resources go back to the province and they administer them.

Mr. PERLEY: The third paragraph of the explanatory note reads:

> The cost of patrolling these areas in the interest of fire and game protection has been out of proportion to the value of the land for park purposes.

Would the minister give the figures as to the cost?

Mr. CRERAR: I have not that information here. I could give it when the estimates of the parks branch are before the committee later on, if my hon. friends wish information about the number of park wardens, the colour of their hair and eyes, and that sort of thing.

Mr. HOMUTH: I am not treating this matter in a jocular way, and I do not think the minister should try to be facetious about it. Here we have a few hundred square miles of land, on which the hon. member for Lake Centre states there is considerable timber. I know something of what we have done in Ontario with regard to our parks. A group of men in our own district saw a stand of virgin timber in our county going to the sawyer. We refused to let that pass; we took it over and made a public park of it. As a result of careful administration, we have had that timber harvested as the trees came to the proper age, and by handling it in that way we were able to pay the total cost of that park and the administration and upkeep of it.

I do not know what mistakes have been made in the past in the handling of our national parks, but it is time we introduced some real business methods into the administration of those parks. Instead of reducing our playgrounds in Canada, let us expand them. We have been talking about the tourist traffic. Let us try to increase it. Here is a definite asset, a stand of timber which, if properly handled by the department, might not only pay the cost of maintaining that park but help to pay the cost of maintaining other parks. Let us do this in a businesslike way instead of giving that timber back to the province. When the province gets it, as the minister and everyone else knows, some operator is going to go in there and cut that timber. I object to that. I think we will require far more and better information than we have had as yet; otherwise it might be as well for the minister to move that the committee rise until he can give the committee the information to which it is entitled.

Mr. MACDONALD (Kingston City): May I ask if it is not true that the land which constitutes the Prince Albert national park belonged originally to the province of Saskatchewan?

Mr. HOMUTH: What does that matter?

Mr. MACDONALD (Kingston City): The hon. member for Waterloo South has had his say. If he wants to carry on this discussion, he may do so when I have finished, but he is not going to interrupt me. I am asking the minister if it is not true that in the beginning Saskatchewan gave this land to the dominion government and that now the dominion government, finding some of this land not needed for park purposes, simply intends to restore to the province that which the province gave in the beginning, as I understand it without charge. Is this not merely a return of the land to the original owner?

Mr. ROWE: That does not add much light. We knew that before.

Mr. MACDONALD (Kingston City): I do not think you did.

Mr. CRERAR: That is not quite the position.

Some hon. MEMBERS: Oh, oh.

Mr. CRERAR: Now that my hon. friends of the opposition have had their laugh, perhaps they will let me state the position. What has been said by the Minister of National Defence for Naval Services is, in effect, the situation,

but when the park was created, the dominion government controlled all the resources in western Canada.

Mr. HANSON (York-Sunbury): Then this park never belonged to the province of Saskatchewan.

Mr. CRERAR: The dominion government owned the resources; but in the transfer agreement—I am sure I am right in this, although I speak subject to correction—it was provided that any lands which the federal government did not require would be transferred to the province. That, in effect, is what is happening here, and we have it happening almost every day. Consequently, when the area of this park is reduced, under the terms of that agreement the land goes back to the province, where it should go, where it belongs. So the Minister of National Defence for Naval Servires was quite right.

Mr. MacNICOL: He may know about boats but not about timber.

Mr. NICHOLSON: As a resident of Saskatchewan I would not think of opposing any legislation likely to benefit my province, but I have had some difficulty in trying to secure land there for provincial parks. I think hon. members will agree that it is much more difficult to secure land for inclusion in a park than it is to give the land away after it has been placed in the park. The minister should give a more satisfactory answer to the question asked by the hon. member for Qu'Appelle, as to the cost of patrolling these areas in the interest of fire and game protection, as compared with the benefits derived from the area.

As has been pointed out, we are proposing to give away about one-fifth of the area of this national park, which is one of the great natural assets of the province of Saskatchewan. Hon. members who have visited this natural park will agree that it is a very great tourist attraction, and I think we would be ill-advised to give away this land, even though the minister says it is not of any great value as part of the park area. It has been pointed out, however, that there is a sizeable stand of timber on this land, so the minister should give us more information as to the value of that timber and the cost of patrolling it before we are asked to pass this bill.

Mr. CRERAR: As I have said, I do not think the value of the timber is the consideration in point at all. The fact of the matter is that the parks officials, whose business it is to advise on these matters, have said that this area is not necessary for the purposes of Prince Albert national park. They have given me that advice. I do not think any member of the government of Saskatchewan, or any person having an eye on this timber, influenced the park officials in coming to that decision. In carrying out their duty and doing their job they make a recommendation to the government that this area can be reduced. This reduction will effect some saving in administration and will not detract at all from the park as such.

I point out once more than there will still remain 1,495 square miles of lakes, streams and timber for park purposes, which would appear to be all that is necessary. If this land goes back to the province, it then becomes the business of the province to administer it. I do not think it is the affair of the federal government or of the parks branch to attach any conditions as to how the province shall administer its resources. That is their business; it is not our business at all. For instance, if we attempted to interfere in Quebec or Nova Scotia or any other province as to how they handled their natural resources, we would be subjected to criticism, and properly so. The same thing holds true as far as Saskatchewan is concerned. There is the added advantage to the federal government that in this rearrangement we get an additional area for an Indian reserve, which we need rather badly. I think the Saskatchewan government have been generous in that respect. They could have said, "No, we do not want to give you back any land; we want to keep it all."

Mr. NICHOLSON: You are getting back eleven square miles, I understand.

Mr. CRERAR: Yes, and getting it back without charge.

Mr. HOMUTH: Well, Mr. Chairman, the 300 square miles must be in terrible shape if we are to get back eleven square miles as an even trade. In spite of the assistance of the Minister of National Defence for Naval Services, I still think we ought to be given quite a good deal more information on this matter. It seems to me this bill could very well stand over for another year. Let us have the timber cruised; let us know what is the value of it. Let us understand the whole situation and see what saving we may make by giving away this land. At a time like this, when we are concerned with much more important matters, a controversial bill of this kind might be very well left over until another session, in order that the minister may know more about the parks which he is administering.

Mr. DIEFENBAKER: I have listened with interest to the explanation given by the minister, particularly in reference to the circumstances under which the park was set up. I remember those circumstances very well.

When the Prime Minister was first elected in Prince Albert, in 1926, he pointed out the needs of northern Saskatchewan with regard to parks, and this park was duly constituted. The minister will remember that at that time the provincial government had nothing whatever to do with the natural resources of Saskatchewan.

Mr. GARDINER: They did in 1930, though, and that was when the park was set up.

Mr. CRERAR: The park was established in 1927, opened in 1929, and the resources of Saskatchewan were returned to that province some time in 1930.

Mr. GARDINER: The bill was 1930.

Mr. ROWE: You are wrong again, both ministers have gone wrong, now.

Mr. DIEFENBAKER: I am only trying to get information, because the people in northern Saskatchewan want to know why it is that the national park set up by the government now in power, and under the leadership of the Prime Minister, should find it necessary at this time to remove from the confines of the park the eastern portion of it. They want to know that, particularly in view of the fact that the merchantable timber is to a great degree reduced in northern Saskatchewan.

The minister has stated that no lumbering is done in this vicinity. But he must know that to-day on the northern side of the park, in the Montreal lake area, considerable lumbering is being done, and that within the confines of the eastern portion of the park that timber would be available for those who might wish to exploit it. I can understand very well his desire to get eleven square miles for an Indian reserve. No one would have any objection to the removal of eleven square miles from this park for that purpose. Our objection, however, is this: At a time when the timber resources of Saskatchewan are being more and more depleted, what justification is there, in order to save the cost of the services of two timber men for a matter of four or five months in a year to remove one-fifth from a national park which has been set up and which for many years has functioned so well? Would the minister be willing to table recommendations from the government officials? If we had those recommendations, we would be able to see whether or not the committee ought favourably to consider the bill before it.

Mr. CRERAR: It is not the practice to table reports from one officer in a department to another officer in a department.

Mr. HANSON (York-Sunbury): I object to that statement. If the minister makes reference to a public document in this matter, that document must be tabled.

[Mr. Diefenbaker.]

Mr. CRERAR: I did not say there was a public document.

Mr. HANSON (York-Sunbury): It is a public document. The principle is wrong, and the minister should not take refuge in refusal.

Mr. CRERAR: I do not think it is a public document.

Mr. ROWE: What is it, then?

Mr. CRERAR: As a matter of fact, the officials of the parks branch came to my office and discussed the matter with me. We had maps; they gave me their reasons, and this bill is the result.

Mr. ROWE: Give us the reasons.

Mr. CRERAR: I have given them.

Mr. ROWE: The minister has not given any yet.

Mr. CRERAR: It will mean some reduction in the patrolling of the area.

Mr. HANSON (York-Sunbury): A saving of two fire rangers.

Mr. CRERAR: I think my hon. friends opposite are under a misapprehension. It is not the business or the function of the parks branch to be disposing of timber limits, or to be supervising timber limits, and all that sort of thing. The national parks were set up as national playgrounds. Does anyone say that because there may be a few million feet of timber in this area—and I do not know how much there is—that that is necessary for a national playground. Not at all. What is the sensible thing to do? Is it sensible to let the timber rot and fall down?

Mr. HOMUTH: No; that is ridiculous.

Mr. CRERAR: The hon. member for Waterloo South makes frequent interruptions; he may have his say, after I have finished. It is not the purpose of the parks administration to do that sort of thing, and my hon. friends know it as well as I do. Some person, however, has carried a story to them to the effect that there may be a bit of jobbery behind this transaction, and they are exercising their right—and it is unquestionably their right—

Mr. ROWE: That is only suspicion on the minister's part.

Mr. CRERAR: —in the manner in which they choose to exercise it. I repeat that it was never intended that the national parks should deal in timber. They were never created for that purpose. On the contrary they were created as playgrounds. Incidentally there is this timber in this park. It is a swampy area, with timber on it. So the

sensible thing to do is to give it back to Saskatchewan, to administer as part of the public domain in that province. I see nothing strange about that. I do not see anything wrong in it.

Mr. ROWE: What is meant by this explanatory note:

On the other hand such lands have a distinct value for development and settlement.

Mr. CRERAR: Probably they have.

Mr. ROWE: In marsh land, does the minister mean? Who wants to settle in muskeg?

Mr. CRERAR: As I explained when the bill was in the resolution stage part of the land on the southern boundary is fairly good agricultural land, and probably will be settled.

Mr. ROWE: How much timber is on it?

Mr. CRERAR: There is very little on that. I cannot just say how much is on this other area. But I repeat, we can leave the timber there. It is not needed now for park purposes, and never will be. Is it not sensible to give it back to the province and let them deal with it, the same as they deal with any other part of the public domain?

Mr. HAZEN: The minister says that these parks are created as playgrounds; surely they are created for more than that. Are they not created as a place where game can be preserved and conserved? Are they not, in some instances, provided as protections for watersheds? Are there not a number of other reasons for their establishment? To say that they are created merely for purposes of playgrounds is surely limiting their use to an extent to which it was never intended they should be limited. Even for playground purposes, it is important that we have these vast stands of timber, if we can. They add much to the attractions of any park. How much money has been spent by the dominion government in developing this area since it was declared a park?

Mr. CRERAR: I have not the information at hand as to how much money has been spent in the development of this or any other park.

Mr. HANSON (York-Sunbury): What about the road through the Montreal lake area?

Mr. CRERAR: That information will be available to the committee when the estimates of the department are before it.

Mr. HANSON (York-Sunbury): This is where it should be available.

Mr. CRERAR: I do not think so.

Mr. HANSON (York-Sunbury): Well, I think so.

Mr. CRERAR: I do not think it is germane to a discussion of this bill to have all the details of expenditures in connection with the park. I am advised by my officials that there will be a decrease in the cost of fire ranging and fire fighting in that particular area. In these times, when there is difficulty in obtaining money, I believe this is a sensible procedure to take.

Mr. ROSS (St. Paul's): This sort of thing has been happening in northern Ontario. One of the finest provincial parks is that of the Timagami timber reserve. Some people know about a fine timber stand, and decide they want that timber. Before the timber is taken off, they give the government the excuse that the timber is ripe. I do not know when timber is ripe, but I do know that about 1900 I visited Timagami, as a boy. Then about two years ago I went through the same country and saw the same forest. I saw the forest, and the reforesting that had been done by nature. It was said that the timber was ripe, and it was cut to a distance of so many hundred yards back from the lake, ruining the tourist resort. The excuse was given that the timber was ripe. As I say, I went back into other parts of the country and it looked just the same to me as it had before. You could see the seedlings in the ground; you could see the timber growing up; you could see how nature was taking her every day course; you could see where the trees had fallen down and rotted, and where others were coming in. But where there had been forest fires, you could find nothing but birch and poplar coming up. That is what we may expect.

As a member from Ontario, I am speaking for the people of Saskatchewan. To my mind, an effort is being made here to be allowed to cut good timber. We have our national park at the present time and the timber is safe. Let us look at this matter from another point of view. We have the conservation of water; we have the organization known as Ducks Unlimited who, as lovers of wild life, have gone into the north country and reclaimed thousands of acres for the breeding of ducks. We have this place here which is preserved at the present time and which does not cost us anything to speak of, as far as the federal government is concerned. It is providing conservation of trees, conservation of water, and conservation of game for tourists. The people of Saskatchewan really do not want this bill. It is a crime that we should try to put this into the hands of someone who will cut all the timber and just make so much more poor land in that country. Why is summer-fallow

being attempted, because of the small amount of care that is required? The minister has not told us anything yet which will justify his position in connection with this bill.

Mr. ROSS (Souris): It seems to me that we are not very consistent in this matter. On the one hand, we have the Department of Agriculture spending millions of dollars upon prairie farm rehabilitation, chiefly in Saskachewan, upon reforestation work, the seeding of grasses, soil, water conservation and such matters; and, on the other hand, we have another department giving away the very asset we are trying to create in other parts of the province. The minister has said that the province has not asked for this, that the only idea in giving it away is to save the cost of administration. That being the situation, surely he can tell us at this time what the saving will be. As a previous speaker has said, the minister has not said anything which would convince this committee that this is good business.

Mr. FRASER (Peterborough West): On March 20, as reported on page 1741 of *Hansard*, I asked the minister to get the figures with regard to the administration costs of the park and what would be saved. The minister then replied:

> I think I would be in a position to give the hon. gentleman the information he has requested with regard to savings when the estimates of the parks branch are before the committee at a later stage.

That is the stage we are in at the present time.

Mr. DOUGLAS (Weyburn): To every request for information the minister's reply has been that this step is taken upon the advice of the officials of the parks branch. Like most hon. members, I am not familiar with all the facts; I do not know the real value of this land or what effect this move will have. We have to judge the case upon its merits. No group of officials, even the parks branch officials, are infallible. As a matter of fact, there must have been parks branch officials who at one time thought this was valuable land or they would not have had it included in this national park. There must have been some parks branch officials who thought this land was sufficiently good as a play ground to warrant its being brought within the boundaries of the park. Then apparently another group of officials, or perhaps the same group, now advise the minister that it is no longer wise to continue to include this land within the boundaries of the park. They may be right, but I do not think the minister can expect this committee to take so serious a step merely upon the advice of officials who may have changed their opinion as to the advisability of keeping this land within the boundaries of the park. It seems to me the whole thing is summed up in the following paragraph in the explanatory notes:

> The cost of patrolling these areas in the interests of fire and game protection has been out of proportion to the value of the land for park purposes;

If the value of the land is such that it is not worth patrolling, and the minister can demonstrate that, then I am quite prepared to support the bill. But to do that I must know the value of the land and what it has cost to patrol it. I must know what it will cost to keep this land within the boundaries of the park. If it is too much, then the minister is justified in taking it out. This, however, is a serious step unless the cost is fairly high. As the minister has said, a road runs through this land to Montreal lake, and this park has become one of the beauty spots of western Canada. We have not had the cost of patrolling this park, nor have we had any indication as to the value of this piece of land. We should know whether it is worth the expense of keeping it within the boundaries of the park, and until we have further information I cannot see how the minister can ask us to support this bill.

Mr. CRERAR: The cost of patrolling this land against fire probably would not be more than the expense associated with two or three fire rangers, and I cannot at the moment give the details. If fire broke out, however, we would be at the expense of endeavouring to put out the fire and control it. In these days of pressure for economy in administration, I imagine that this is one of the considerations which induced the parks branch officials to bring the matter to my attention. We went over the matter in detail, and I was satisfied that while the area had some timber of value, in a considerable measure it was swampy land not suitable for park purposes. I cannot imagine a tourist or a visitor to the park going out into the woods on the edge of a swamp where the black flies and mosquitoes are in myriads. It was thought this land was not necessary for park purposes and it was believed we could save a few thousand dollars by allowing it to revert to the province.

Some hon. members have referred to the timber and have asked why we do not keep control of the timber and realize on it. That is not the purpose for which these parks were created. It is true that when trees become overripe in some of the parks, we sell some cordwood, but that is because the

land is required for park purposes. Here we do not require it for park purposes, and when the National Parks Act was passed, it was not the intention that the national parks would be developed for the purpose of obtaining a profit from the timber resources in the parks. What has been done here is a sensible thing. We have dropped a part of the park which is not needed for park purposes. We are letting this land go back to the province for administration, thereby saving the federal government something in cost of administration.

Mr. ROWE: What is the cost for the whole park?

Mr. CRERAR: There was one other point raised. My hon. friend referred to the fact that when the area was first set up for park purposes, the officials of the branch must have considered that this particular park was necessary for park purposes. When it was decided to establish a park area there, full surveys had not been made in detail of the area which was included within the boundaries of the park. It was known in a general way that it had lakes—beautiful lakes—forests, little valleys, and streams, and enough was taken in to ensure that a sufficiently large area would be secured for park purposes. In the passing of time it was found that all this was not necessary, and I think the sensible thing to do is to exclude a portion of it. As I have pointed out several times, if we were to take it as a squared area, it would be almost forty miles square, which is a considerable size for a park.

Mr. ROWE: The hon. member for Souris has said, and I think it is very true, that we have had the spectacle of inconsistency demonstrated to-night more clearly than ever before with reference to the administration of a plan in the great province of Saskatchewan. Millions of dollars have been spent in that province to dig water-holes for supporters of the government, to reforest areas which have been very dry—

Mr. GARDINER: Started by the government when you were in it.

Mr. ROWE: Yes, and played with for political purposes by the government when you were in it. We have seen water-holes dug here and there, up and down throughout that province. To-night it is proposed to set aside an area involving enough ground, after it is summer-fallowed by this new, spectacular, fantastic policy of the Minister of Agriculture, to cost the Dominion of Canada $962,000 in order to keep it out of wheat. It is being taken out of the park in order to put it into wheat or some other development. If you do not wish it to be summer-fallowed, if you put it in grass, as the Minister of Agriculture has curtly told us, to help to retain moisture and prevent the soil from being blown away in certain districts where there is overcropping, it will take over $480,000 to pay $2 an acre on it. Here we have an area with God-given facilities to retain moisture, including muskeg, rivers and lakes, which are all too few in that great province, and tall trees which, no doubt, timber exploiters are looking at with anxious acquisitiveness. Yet, on the one hand, the Minister of Natural Resources presumes to tell us that his department is going to save the expense of three or four timber cruisers in this area, for the benefit of the hard-pressed treasury of Canada, while on the other hand, the Minister of Agriculture says, "Hand it over to me, and I will give them $4 an acre to summer-fallow it or $2 an acre to grow grass on it". That is how this muskeg is to lend itself to development.

I agree with hon. members on this side that we have heard very little sound reason why this section of the park should be taken back. Even in Ontario, where perhaps we are more in need of land, it would be wise policy for any government to retain an area such as that to conserve moisture through its trees, and its lakes and streams, which without doubt would dry up with such a development as the minister suggests. It seems to me a penny-wise and pound-foolish policy to take part of that great province of Saskatchewan, which needs muskeg, which has not too many trees, or lakes, or streams, and hand back 240,000 acres which are ideally adapted to retain moisture. I suggest that the minister reconsider this recommendation of his parks branch, and I advise him to be very careful in approving any such recommendation from them.

I recall the time when this park was inaugurated, and I also remember some reasons for its inauguration. Back in 1926 the Prime Minister, who should be here to-night to tell us what he thinks about it, informed us that a great playground was to be established in the province; it was to have an area of 1,500 square miles. As one hon. member has mentioned to-night, if it is too large now it must certainly have been too large then. The Prime Minister, however, during his first election campaign in that riding, promised the people ample room for a playground. I do not suppose he had in mind, when he suggested that he would establish a 1,500-mile square playground, that people would use the entire area as a playground. He must have had in mind the conservation of moisture and the preservation of the

timber, because 1,500 square miles is, I submit, too large an area for a park; I do not believe we need in any province an area of that size except for the purpose of conserving moisture, preserving game, and effecting the other objects for which we maintain trees and muskeg. I earnestly and sincerely urge the minister to reconsider this suggestion of handing the land back to the province for development.

When we have so many acres which it is proposed to summer-fallow or to utilize for the development of moisture, why should we dry up what moisture there is in an area which is naturally adapted for the purpose of conserving moisture?

Mr. CRERAR: I was much interested in the eloquent plea of the hon. member for Dufferin-Simcoe. Does my hon. friend mean to say that to his own knowledge there is behind this move to reduce the area of the park any exploitation scheme so that somebody may get timber cheaply? Has any hon. member on the other side any information of that kind? Has the hon. member for Lake Centre any such information? It has been hinted.

Mr. ROWE: That is beside the issue.

Mr. CRERAR: It is not. It has been hinted at by at least half a dozen hon. members who have spoken in this discussion. If any hon. member of the opposition will assert that behind this thing, to his knowledge, is an effort to exploit this timber in the interest of any individual or group of individuals, this bill will be withdrawn immediately.

Mr. ROWE: I would suggest that the minister's observations are a little beside the point, whether anyone has made insinuations, or not. The issue is, whether the area is better left as it is, or is to be allowed to be dried up for the sake of a summer-fallowing policy? Has it not some value for the preservation of game, for the conservation of moisture, for its scenic beauty? Surely there is some other question involved than an exploitation by friends of the government. I do not for a moment charge that the minister or any other hon. member opposite has friends who want to get some trees for nothing. I have no knowledge on the matter. That is only a side issue—perhaps, a side danger. No doubt the government of Saskatchewan is as capable as, although not more capable than, the government of any other province to administer its natural resources.

This issue is one of national concern. The federal treasury has been asked to provide thirty-five to fifty million dollars to conserve moisture, to diversify production, almost to change the landscape, in the province of Saskatchewan. Year after year we in this house have voted large sums from the dominion treasury, and we are required to vote more, hard up as we are, trying to save every nickel for the common purpose of winning the war; we have spent millions of dollars—and I do not say this jocularly—to dig water holes in Saskatchewan, to dig canals, to divert streams, to establish lakes and bushes, to encourage the growth of trees, and now we are asked to save the treasury of Canada the cost of five or six timber cruisers so that we can cut down what nature has planted better than this government could.

Mr. CRERAR: I take it, then, that my hon. friends opposite can produce no evidence that there is any proposal of exploitation—

Mr. ROWE: I am not speaking for them all. That is not our responsibility.

Mr. CRERAR: May I say it is not the responsibility of the hon. member to throw out the suspicion that such is the situation, which is what he did when he spoke a moment ago.

Mr. ROWE: I did not throw out the suspicion that such is the situation, and I rise to a point of order.

Mr. CRERAR: Let my hon. friend keep his seat; I did not interrupt him.

Mr. ROWE: The minister said that I threw out a suspicion, and I rise to a point of order.

Mr. CRERAR: The suggestion has been made to-night that behind this was the idea of exploitation.

Mr. ROWE: I made no such suggestion.

Mr. CRERAR: Surely the hon. member did suggest exploitation. But let that pass.

Mr. ROWE: Exploitation of natural resources. The government of the country is exploiting them in this type of policy.

Mr. CRERAR: Exploiting by whom?

Mr. ROWE: By your government.

Mr. CRERAR: Let that pass. My hon. friend tries to make the argument that it is necessary for the federal government to maintain this area in the park for the conservation of moisture.

Mr. ROWE: The minister cannot put words into my mouth. I did not say it was necessary; I said it was conducive to the preservation of moisture and would help.

Mr. CRERAR: Then I will agree with my hon. friend and say it is conducive. Does he mean to tell me for a moment that if a block of 350 square miles is taken out of the park, the rain will not fall on that block in the same way—

Mr. ROWE: Surely the minister knows better than that.

Mr. CRERAR: —and that the conditions making for moisture will not be there?

Mr. ROWE: The minister knows better than that.

Mr. CRERAR: Then why does my hon. friend suggest that we should not take it out because, if we do so, it will tend to lessen moisture.

Mr. ROWE: So it will. The minister knows that.

Mr. CRERAR: I cannot see the force of that argument at all. The hon. member for Dufferin-Simcoe speaks about expenditures under the Prairie Farm Rehabilitation Act. Those expenditures have taken place several hundred miles, in the main, from where the park is located.

Mr. ROWE: We did not want another dry area established in the same province.

Mr. CRERAR: Well, my hon. friend—it is not his fault—is not familiar with this particular area.

Mr. ROWE: The minister is not very familiar with it himself.

Mr. CRERAR: I am fairly familiar with it. I may tell the committee that I have flown by aeroplane over the greater part of northern Manitoba and Saskatchewan.

Mr. ROWE: I, too, have flown over a lot of land with which I am not familiar.

Mr. CRERAR: I do not think there is force in the argument that we should keep this particular area within the park boundaries in order that we might the better protect the water supply.

Mr. ROWE: I do not wish to hold up the committee, but I am more surprised than ever that the minister should rise in his place to-night and say that he sees no relationship between the conservation of moisture in Canada and the preservation of muskeg and timber stands. I would ask him to pause and reflect upon what he has said. Why, every hon. member knows that throughout the dominion we have been studying policies whereby we can develop areas. We have been studying the conservation of moisture and the reforestation of various areas.

Twenty years ago or more, as the member of a county council, I was interested in this very question. We started reforestation and to-day we can see the results. Experiments were carried out on patches of twenty, thirty, fifty and a hundred acres, and there were areas in some districts covering from eight to ten square miles. Here we have an area that is twenty square miles. There is not an hon. member who does not know that, especially in the old province of Ontario, there has been a constant study of schemes that would cost millions for the purpose of damming water so as to avoid floods down through the Belleville district and the Guelph and Galt districts. Reforestation has been taken up more or less as a provincial policy, and every county council in Ontario has interested itself in the subject.

In Saskatchewan, we are told, the proposal under consideration will not affect the area in question. Millions are being spent to conserve moisture in seeding down, because after all, next to trees, there is nothing that will preserve moisture more than grass, and next to muskeg there is nothing that will better serve that purpose than trees. All you have to do is to ride along the highways when the snow disappears and you will see trees, large and small, if they are thick enough, with snow still under them. If one flies over northern Ontario one will see snow up there a month after it has disappeared in the open. Surely no one knows better than the Minister of Agriculture that trees, lakes and rivers are of enormous advantage. I know that what the minister has said is to some extent true, that the rain will fall just the same if these few trees are cut down. Surely he does not think, however, that they can be taken over to the other part of Saskatchewan. I would suggest to the minister that he read that book prepared by an able industrialist, Mr. Aubrey Davis, and endorsed by every forest ranger, and he will change his mind. He will agree that when trees are cut down, streams and springs dry up.

I can show the minister areas in my own county to illustrate the point I am making. I have one area particularly in mind, and there were a number of small areas of two or three acres. Twenty-five years ago, I understand, there were five or six bubbling springs on that area and the trees were cut off. In later years, when the springs dried up, the agricultural society reforested the area and recently three of the springs have appeared again.

This country needs a national reforestation policy. Years ago I said, both in this house and elsewhere, that if we went on exploiting we would some day regret it—and I do not say that as a reflection on the friends of the

minister. I am speaking of exploitation generally such as we have had through the years, because we have been a nation of exploiters.

We have robbed the forests; we have cleared the ground, rolled back the map until the ground has almost blown away beneath our feet. I am amazed that the minister should suggest that, in a province as dry as Saskatchewan, an area involving almost a quarter of a million acres with all the moisture, and the trees necessary to retain that moisture, is not a permanent asset of that province.

Mr. NICHOLSON: We are spending a great deal of time on this bill. When the resolution was before the committee I asked the minister how much the saving would be. He did not have the information that night, but my understanding was that he was to have it when the bill came before us. I think we should have that information before this bill is passed. As I recall, the minister said it would mean saving the services of two rangers during the fire-fighting season, which is usually three or four months. The minister should have some information as to the amount spent on fire fighting during the last five or six years. Ten years is a very short time in the life of a park. This park was set aside just a few years ago; I think the first proposal was made in 1926, and the boundaries were defined in 1928. Since then we have had ten years of depression, and the federal government were cautious about appropriations for the development of playgrounds. The minister said this area has not been found necessary for the park, but we should keep in mind the needs of the future, and I can think of no finer asset to this park than a large area of good timber. While there may be a lack of roads through this part of the park, I hope that hon. members sitting here to-night will live long enough to see scenic drives through this Prince Albert national park.

I suggest that the minister let this matter stand until he can give us more information as to the saving to be effected. The last clause of the third paragraph of the explanatory notes reads:

> . . . such lands have a distinct value for development and settlement.

I agree with the hon. member for Dufferin-Simcoe as to the need for preservation of forests. For the last ten years we have seen our governments, federal and provincial, and of both parties, setting aside for settlement lands which should have been preserved for park or forest. I know there is a conflict of opinion in the administrative work. Those particularly concerned about forestry have objected to these areas being set aside one after another for land settlement when in their opinion those areas were much better suited for forests. I have seen Conservative and Liberal governments making appropriations year after year for the settlement of lands, in some instances heavily timbered, to produce more wheat. In 1932 I think it was, when wheat prices were at the lowest levels ever known in the last four hundred years, we still found federal and provincial governments providing money to bring more of these bush lands under cultivation. The federal government has had some responsibility for encouraging the settlement of such lands.

The minister advances, as a reason for taking this area out of the national park, the suggestion that it might have some value for agriculture. With the largest supply of wheat ever on hand in Canada, this government should not be giving away land to be devoted to the production of more wheat and cereals. This park is one of the greatest assets in Saskatchewan. My information is that it is costing very little to retain this area in the park. It should be retained until the minister gives us much more detailed information as to what it is costing the federal treasury. I would ask the minister to consent to have the committee rise and report progress, and to give us further information at a later date.

Mr. CRERAR: As I have stated at least half a dozen times, the direct saving will be the expense of two or three fire wardens. The hon. member says I should bring detailed estimates of the savings. It is impossible to do that; I do not know, no one in the parks branch knows, what the cost of fighting fires in this area may be this year.

Mr. NICHOLSON: But the minister should be able to tell us what it has been in the last five years.

Mr. CRERAR: If we retain this area in the park, we have to build trails and roads through it so that the fire rangers can reach any fire that might break out. It should be protected against fire by the provincial government which has the equipment to do it. They have their fire-fighting services and can do it more effectively than we can.

Mr. NICHOLSON: We have more money than they have.

Mr. CRERAR: I do not think anything would be gained by acting on the suggestion of the hon. member.

Mr. HOMUTH: To my mind the minister's arguments are getting weaker and weaker as the hours go by. First he talks about the saving in fire rangers. The other day he said it would open land for settlement. If this timber is of the right sort, and judging

from this pamphlet put out by the department there is good timber there, there will be men going in to cut the timber; there will be slash and undergrowth, and the fire danger will be greater than it is to-day. If the land is opened for settlement, the fire danger will be greater. The minister says, "we do not know what the cost of fire protection will be in coming years." They did not know it ten years ago when they took it over. We do not know what our wheat bill is going to be for western Canada next year. Ministers have said they will do no more prophesying. This pamphlet shows the stand of timber there, the animals and wild life and flowers, all those things that we have wasted in the older provinces, the very thing that the hon. member for Dufferin-Simcoe has said is scarce enough in Saskatchewan.

Unless the minister is prepared to give some better reason and more detailed information as to why his officials recommend this thing—I know ministers who have had different courses recommended to them by their officials in the past not so long ago and who did not follow those recommendations—I think I am justified in moving that the committee rise and report progress.

Mr. CARDIFF: Will the minister assure the committee that if this timber land is given to the province, it will remain as it is and not be exploited by any private enterprise?

Mr. CRERAR: I am afraid I could not give any such assurance. If the Minister of Mines and Resources of the federal government attempted to tell any provincial government how they should administer their resources and to whom they should give licences to cut timber, I am afraid we should be in serious difficulty. I am sure no one would object more than the hon. member who has just spoken.

Mr. JACKMAN: There was one other point which at first blush I did not believe worthy of the consideration of this committee, but I have since learned that this is the only national park owned by the federal government in Saskatchewan. I would recall to the minister that within the last year, if my memory serves me aright, the government of the United States has added to a number of its national parks. In the first place a large area was added to a park at Fort Bragg in the Carolinas, which, I believe, is the largest artillery encampment in the world. That area has been added in order to make available land which will be safe for target practice. Another large park recently acquired by the United States government is in connection with the Hearst estate in California, which embraces a very large area and which is now used for military purposes. If this is the only national park in Saskatchewan which could be used for military purposes, it might be advisable for the Department of Mines and Resources to consult with the Department of National Defence before any action is taken in this regard.

Mr. MACDONALD (Kingston City): I should like to say one word in connection with a matter raised earlier in the evening. At another stage of this discussion I suggested that this land originally belonged to the province and that it was only fair it should revert to the province. To support that view, I have before me chapter 41 of the statutes of 1930, which is the Saskatchewan Natural Resources Act. In the schedule to that act there is set forth the memorandum of agreement entered into by the Dominion of Canada and the province of Saskatchewan with regard to the natural resources of that province, in which agreement I find these words:

> . . . whereas the government of Canada desires that the province should be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources as from its entry into confederation in 1905 . . .

Then I omit some lines which are not relevant, and the agreement goes on:

> In order that the province may be in the same position as the original provinces of confederation are in virtue of section one hundred and nine of the British North America Act, 1867, the interest of the crown in all crown lands, mines, minerals (precious and base) and royalties derived therefrom within the province . . . shall . . . belong to the province . . . and be administered by the province for the purposes thereof . . .

Later, it speaks of national parks, and provides that the Prince Albert national park:

> . . . shall continue to be vested in and administered by the government of Canada as a national park, but in the event of the parliament of Canada at any time declaring that the said land or any part thereof is no longer required for park purposes, the lands, mines, minerals (precious and base) and the royalties incident thereto, specified in any such declaration, shall forthwith upon the making thereof belong to the province . . .

That makes it quite clear that the intention of this agreement was to put the province of Saskatchewan back to the year 1905 so far as the administration of these natural resources was concerned. Therefore I think it is absolutely correct to say that this land belonged to the province by virtue of this agreement, which was ratified both by this parliament and by the legislature of Saskatchewan. The intent was to put the province of Saskatchewan back to 1905 and to treat these natural resources as though they had belonged to Saskatchewan from that year,

when the province was constituted. I think that is abundantly clear, and this statute, with its particular reference to national parks, bears out that obvious intention.

There is one other point to which I should like to refer. From this discussion the impression might be gathered that it is an abnormal thing to change the boundaries of a park. I do not know what happens elsewhere, but I know that in Nova Scotia, when I had something to do with public affairs there, we took some of our own crown land, bought some other land and gave it all to the dominion for national park purposes. That land was accepted by this government. After a year or two it was found that some of the land had better be taken from the park. I believe on one section there were some fifteen or twenty families, and it was the opinion of the park authorities that this section had better be left out. The boundaries were changed and that land was given back to the province. Then I find in the statutes of 1938 that no less than five separate parcels of land were withdrawn from the Prince Edward Island national park and vested in the crown in the right of the province.

Mr. HAZEN: What was the acreage of those parcels?

Mr. MACDONALD (Kingston City): I am not sure of the acreage, nor am I sure of the acreage of the Prince Edward Island national park, except that it is quite a small park. I am informed that it has a length of twenty-seven miles, and that the width varies. Here were five separate parcels of land withdrawn from that park. I have already instanced the case of the Nova Scotia park, and I understand that in connection with national parks it is not uncommon to find after a time that certain land formerly included should be excluded, and perhaps, in some instances, certain other land taken in. As I understand it, the boundaries of parks are never like the laws of the Medes and Persians, inexorable and unchangeable for all time.

Mr. HANSON (York-Sunbury): Where does that agreement lead the minister? It simply leads to this, that in a few isolated instances and with regard to comparatively small areas the boundaries of parks have been changed. But here is an area of some forty square miles being taken right out of a great national park which has been set up for only ten years. When the park was constituted and the boundaries defined, there must have been a long term view taken as to what was going to happen over a period of, say fifty years.

The point is that the minister has not yet made a convincing statement as to why this is being done, except on the theory that it will save the wages of two or three fire wardens. We ought to know exactly what is the value of the asset. This land never was the property of the province of Saskatchewan, notwithstanding the declaratory statute to which my hon. friend has referred; but if effect is given to this bill it will become vested in the province, and the natural resources go back as of 1905. That is all the agreement means. A legal position was created there, and the dominion government gave the province of Saskatchewan a grant, after arbitration, in consideration of the alienation of certain of these natural resources.

Mr. MACDONALD (Kingston City): We gave them back the natural resources.

Mr. HANSON (York-Sunbury): Yes, and placed them on an equality with the other provinces. We treated them very generously, too. They were given a large grant in 1905, in lieu of their natural resources, and they retain that to this day. In addition to that, parliament voted a sum of money in lieu of the resources which had been alienated by the dominion. All that is, of course, beside the point.

The minister has come to the house asking for the passage of a bill about which, if he will pardon my saying so, he knows very little. That is the truth of the matter, and I suggest he ought to withdraw it until he can give the committee the information it seeks.

Mr. MacNICOL: Where is the Indian reserve, in relation to the park?

Mr. CRERAR: It is off the southeast corner of the park.

Mr. MacNICOL: And from the park, as now constituted, I understand eleven square miles are to go back to the Indian reservation. Is that correct?

Mr. MACKENZIE (Vancover Centre): Carried.

Mr. HOMUTH: Oh, that is all right; but there is a certain principle about this that we are definitely against. I am definitely against it.

Mr. ROSS (Moose Jaw): Why?

Mr. HOMUTH: The Minister of National Defence for Naval Services tried to substantiate the stand he took. He was just as far wrong when he finished as he was when he started. Undoubtedly the clause which deals with giving back natural resources to Saskatchewan was put in the statute so that in the event of the federal government not wanting the land for park purposes it could give

it back only to Saskatchewan. That is plain. They could not give the natural resources away to a private individual. They could not give them to British Columbia or Alberta. They could be given back only to Saskatchewan, and the act would have been ridiculous had not that clause been in it.

I maintain our arguments are sound. Members from Saskatchewan may think what they like, but there is one broad principle which obtains in connection with this whole matter, and which should be observed. In my district we spend nearly $2,000,000 every year to stop the ravages of floods. The federal government contributes hundreds of thousands of dollars toward that scheme. Those contributions must be made because we have denuded the land; we have cut down the trees. Hence the large expenditures.

Mr. GARDINER: Why does the hon. member talk so much about our water-holes, then?

Mr. HOMUTH: I do not. I want to keep some of them for you, and I wish you had a lot more. I have been out in that country when it was very difficult to find a water-hole. The only reason I left was that there were so many Liberals out there.

I am definitely opposed to the passage of the bill. I do not wish, in a discussion of this kind, to move a vote of want of confidence, but in fairness to hon. members I say the minister should decide either to give us better reasons or allow the matter to stand until the war is over, when we will reorganize our whole economy. That will have to be done, when the men in the army come back, and when other people will be coming into the country. In fairness, I suggest that the minister ought to move that the committee rise, and that to-morrow he ought to ask leave to have the bill withdrawn from the order paper.

Mr. CASTLEDEN: I have one further objection to the passage of the bill. As I understand the situation, the land to be taken away from this national park runs along the east side of the reserve. The minister has said there is a road—I believe it is just a trail—which comes up from Montreal lake, and he has said that for a long time that area has been a preserve where natural animal and bird life has been permitted to multiply in peace. If this portion of the reserve is opened up and shooting is permitted, hunters will come up from the south, and the animals which in the past have been trusting and to a certain extent have become domesticated will be thrown open to the ravages of those hunters. In the interests of the natural life, which in the last few years has been depleted by drought, I suggest that this land ought not to be turned back to the province, making a condition possible whereby adequate protection might not be given those animals requiring it.

Some hon. MEMBERS: Carried.

Mr. HOMUTH: Mr. Chairman, I move:

That the committee rise, report progress and ask leave to sit again.

Mr. CRERAR: We cannot accept that motion, and the hon. member knows it very well. I would say in reply to the hon. member for Yorkton, who spoke a moment ago, that he is probably aware that about two years ago by legislation the government of Saskatchewan took definite steps toward setting aside by far the greater part of the northern part of the province—almost from the northern boundary of the park to the northern boundary of the province—for the express purpose to which the hon. member referred, namely the preservation of wild life and the restoration of fur-bearing animals. I think he need have no apprehension that the turning back to the province of a little less than 400 square miles will have any detrimental effect upon the wild life.

Mr. HANSON (York-Sunbury): It is apparent, I suggest, that the minister—

The CHAIRMAN: Order; there is a motion before the committee. It is moved by Mr. Homuth that the committee rise, report progress and ask leave to sit again. This motion is equivalent to a motion for the adjournment of the debate, and under standing order 38, subsection 2, it is not debatable. Is the committee ready for the question?

Some hon. MEMBERS: Question.

The CHAIRMAN: The question is on the motion to adjourn the debate by the committee rising and reporting progress. Is it the pleasure of the committee to adopt the motion? All in favour say "aye."

Some hon. MEMBERS: Aye.

The CHAIRMAN: In my opinion the "noes" have it. I declare the motion lost.

Mr. HANSON (York-Sunbury): I rise to a point of order. The question was not properly put. The chairman asked for the "ayes," and in the exuberance of the occasion he forgot to ask for the "noes." The only members who voted were those who voted "aye."

The CHAIRMAN: The point of order is badly taken—I was going to say "poorly taken", but I think "wrongly taken" would be

more appropriate. The question is on the motion that the committee rise. All those in favour say "aye".

Some hon. MEMBERS: Aye.

The CHAIRMAN: All those opposed say "no".

Some hon. MEMBERS: No.

The CHAIRMAN: I declare the motion lost. The question now is: Shall section 2 carry?

Mr. HANSON (York-Sunbury): The minister has shown that he has a certain amount of information with respect to this question, but the information asked for by the committee in the early part of the debate has not yet been given. I think we are entitled to it. I think we are entitled to know the value of the asset we are handing over to the province of Saskatchewan, and the minister has not attempted to give us that information. I think we are entitled to it, and he ought not, as a matter of public policy, to ask that this bill be passed without that information being placed before parliament.

The CHAIRMAN: The question is: Shall section 2 carry?

Mr. HOMUTH: Mr. Chairman, in view of the fact that after you declared the motion lost, a point of order was raised, I ask that a standing vote be taken.

The CHAIRMAN: The hon. member is out of order because five members should have risen in their places. Standing order 9 applies to procedure in committee as well as in the house. It is too late now. The motion was declared lost, and the question now is: Shall section 2 carry?

Mr. HOMUTH: I rise to a point of order.

The CHAIRMAN: State your point of order.

Mr. HOMUTH: I am going to stick to my point of order. My point of order is that immediately after you declared the motion lost, the leader of the opposition rose in his place before we could ask for a standing vote and raised a point of order.

The CHAIRMAN: There is no point of order.

Mr. HANSON (York-Sunbury): He has not stated it.

The CHAIRMAN: Shall section 2 carry?

Mr. DIEFENBAKER: Are we in this committee going to get the information to which we believe we are entitled? We have asked for certain information which it is not difficult for the minister to procure. First, we asked what the saving will be in consequence of the removal of this portion of the park and handing it over to the province; and, second, we asked the value of the asset which was being alienated to the province. Surely we are entitled to that information. The very fact we have been denied it for a period of an hour and a half or two hours is bound to raise a suggestion in our minds.

The information is available. The estimates show that there will be an increase rather than a decrease so far as the patrolling of these parks is concerned. If the recommendation which the minister has received from his officials is reasonable and cogent, if he will answer the questions we have asked, there is no reason why the information should be withheld. These questions were asked on March 20, and at that time the minister said he could not answer, but that the information would be available. Now, some ten days later when the matter comes up again and we ask for the same information, we are told we will get it when the estimates are before the committee. By that time one-fifth of Prince Albert national park will be gone. Surely the minister should give us this information.

The CHAIRMAN: I would remind the committee that it is within the discretion of a minister of the crown to give whatever information he desires. The question as to whether the information should be forthcoming lies in the hands of the committee which can vote for or against the particular matter before the committee. Standing order 40, subsection 2, refers to the repetition of a question ad nauseam. That is prohibited by the rule. The remedy lies in the hands of the committee by way of vote. The question now is: Shall section 2 carry?

Some hon. MEMBERS: No.

Mr. ROSS (Souris): Hon. members have asked for certain information which the minister has not given.

The CHAIRMAN: The minister has said that he will not give the information now.

Mr. HANSON (York-Sunbury): He never went that far.

The CHAIRMAN: He said he would give the information when the estimates of the park branch were under consideration.

Mr. HOMUTH: After the bill is passed.

Mr. ROSS (Souris): I have not received an answer to the question I asked. I asked the minister to give us approximately what the financial saving in administration would be when this portion of the park was eliminated.

I have not received an answer, and I protest against handing over our resources in this manner.

Mr. CRERAR: May I say to the hon. member for Souris that I have answered that question at least three times this evening.

Mr. ROSS (Souris): In dollars and cents?

Mr. CRERAR: Excuse me; I have the floor. The saving will be probably about two rangers, but I cannot say definitely.

Mr. ROWE: What would they cost?

Mr. CRERAR: I should think each around $1,500 a year. In addition to that, there are the expenses which may be incurred in connection with this particular area and which are impossible to estimate. If we retain the area and a fire breaks out, say next June, we may have to hire one hundred men to put out the fire. Who can give an estimate at this time as to what that will cost?

Mr. STIRLING: Nobody has asked for that.

Mr. CRERAR: If we remove this area from the park, we shall not have that expense. The hon. member for Souris is a reasonable man, and I think if he will reflect for a moment he will see the cogency of the point I make. I answered a question asked by the hon. member for Mackenzie (Mr. Nicholson) on the same point. It is impossible to give it down to a dollar and cent, notwithstanding the eloquence of the hon. member for Lake Centre (Mr. Diefenbaker). It is impossible to give anywhere near a dollar just what the saving in expense will be. I do not really think there is any more information on this point that I can give the committee.

Mr. ROWE: Surely the minister will say that we are entitled to more information when we are asked to give away a quarter of a million acres in order to avoid employing two fire rangers.

Mr. CRERAR: My hon. friend is not fair in making that statement.

Mr. ROWE: That is what the minister said.

Mr. CRERAR: It is not only the saving of the cost of fire ranging; there is the potential saving of fighting fires for years possibly. Why should the parks branch or the federal treasury be put to the expense of protecting whatever timber there may be against fire, and I do not know just how much there is. I do not think it is a large quantity. The information I have is that the country is mainly swampy in character. I am speaking now of the timber in the area which is to be taken out of the park. I have said at least three or four times that it is not part of the business of the national parks branch to operate timber licences and that sort of thing. Therefore we are handing this land back to the province whose business it is to administer the public domain in that regard. As I have said, of the other small areas, one goes into an Indian reserve and the other will be returned to the province. I presume some day they may open it up for settlement.

Mr. HOMUTH: I feel certain the minister is getting more mixed up all the time. If there is no timber there, and it is only swampy land, there is no fire hazard with which the department has to bother. If there is timber there, it is a fire hazard; it has been there all along, and if it is to be the policy of the government to take from the Canadian people this large area of timbered land and give it back to the province because there is a fire hazard, we might as well adopt the policy of giving all our timbered parks back to the provinces.

An hon. MEMBER: Why not?

Mr. HOMUTH: I still think the minister is unfair to this committee and unfair to the people of this country in not giving us more information.

The CHAIRMAN: It is not in order to say that an hon. member is "unfair".

Mr. HOMUTH: I never was in order!

The CHAIRMAN: The hon. member will withdraw this expression, which is unparliamentary.

Mr. HOMUTH: I withdraw.

Mr. MacNICOL: May I ask the minister a question? I listened with interest to his remarks about the probability of a fire in the area which is to be given away, and how much it would cost the federal government if we owned the land at the time of the fire. If there is an Indian reserve on one side of the park, and a large park remains, supposing a fire should occur of the magnitude which the minister leads us to believe might take place, are we to assume for a moment that the federal government would not send men to fight against the fire spreading into the Indian reservation or into the park area? Or would they leave both the park area and the Indian reserve to the mercies of the provincial government so far as fire-fighting is concerned?

Mr. CRERAR: Ordinarily we would protect the park area against fire. We would have to do that. But our risk in that regard is lessened, in my judgment and in the judgment of the park officers, if this area is taken out.

Mr. NICHOLSON: I regret we are spending so much time on this, but we are asking for information which the minister should supply before we give away one-fifth of one of the greatest assets of the tourist traffic in western Canada. On March 20 I asked the minister what saving would be effected by this measure, and the minister replied, "I have no definite figures that I can give my hon. friend as to the saving". But I for one took it for granted that when this measure came before us as a committee, we would have the information.

The minister says that possibly his department will save the services of two rangers. These rangers would be engaged, I understand, no longer than from May to August, when the fire hazard is at its greatest. Fire rangers in Saskatchewan do not receive high wages, and the wages of two rangers for this period would not be a large sum. The minister cannot tell us, he says, what will be the fire hazard next summer. But that applies to the part of the park which we are going to retain just as truly as it does to the one-fifth which we propose to give away. It would be a great mistake for this government, when funds are needed for so many purposes, to embark on the policy of giving away—

The CHAIRMAN: Order. I draw the attention of the hon. member to the fact that he is repeating the remarks he has already made, and under standing order 40, that is not permissible. It is my duty to draw to the hon. member's attention that the tedious repetition of the same arguments is prohibited by the rules of the house.

Mr. NICHOLSON: I would remind the committee that the minister promised that he would have certain information for us. He should give us that information before we are asked to pass this bill.

The CHAIRMAN: This request has already been made at least ten times in this debate to-night.

Mr. ROWE: And refused.

The CHAIRMAN: And the remarks of the hon. member are simply a repetition of what has already taken place.

Mr. COLDWELL: I believe it has always been the practice in this house that, if a minister is asked for information which is available, he will bring it down at some subsequent date. It is true that it has been asked for a number of times to-night, but it was asked for some days ago. I take it that hon. members who are inquiring into the subject to-night want this information, and I suggest that as a matter of courtesy it should be given when there is an insistent demand for it.

I do not think that the minister is deliberately unfair in not giving that information to-night, although his conduct was so characterized just now. I have, however, looked through the rules of this house, and I cannot find that "unfair" is a word which has ever been deemed unparliamentary under our rules. It seems to me that we are getting some very strange rulings from the chair.

The CHAIRMAN: A point of order is not before the chair now. Shall section 2 carry?

Mr. COLDWELL: May I use the term "unfair"?

The CHAIRMAN: No, because it would be an offence—

Mr. COLDWELL: Will the chairman tell me where I can find the word described as unparliamentary?

The CHAIRMAN: Any term which is offensive to an hon. member is unparliamentary.

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN: Order.

Mr. MARTIN: For instance, if you call me a "Tory," that would be very offensive.

Mr. ROWE: To both sides.

The CHAIRMAN: I refer the hon. member to citations 295, 299 and 300 of Beauchesne's Parliamentary Rules and Forms. Citation 295 states:

> The House of Commons will insist upon all offensive words being withdrawn, and upon an ample apology being made which shall satisfy both the house and the member to whom offence has been given.

And so on. The expressions which are mentioned as having been ruled out of order are only examples of offensive language, and by no means an exhaustive list.

Mr. COLDWELL: May I ask, Mr. Chairman, what is the meaning of the word "unfair"?

The CHAIRMAN: Be that as it may, the hon. member is out of order, because the question has been dealt with and it is no longer before the committee.

Mr. COLDWELL: Surely, Mr. Chairman, an hon. member may rise at any time and discuss a point of order when it is under consideration.

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

Mr. COLDWELL: The point of order is this, that you ruled that the word "unfair" is unparliamentary.

The CHAIRMAN: Order, please. The hon. member cannot discuss a ruling of the chair except by an appeal to the house. Therefore the hon. member is out of order in discussing a ruling which has been given in the debate.

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN: Order.

Mr. COLDWELL: I am not discussing a ruling of the chair. I am discussing a point of order.

The CHAIRMAN: Order, please. The point of order was decided long ago, and it is no longer open for discussion. There is no point of order before the chair. Shall section 2 carry?

Some hon. MEMBERS: No, no.

Section agreed to: yeas, 73; nays, 38.

Section 3 agreed to.

Bill reported.

EXPORT OF GAME

PROHIBITION OF SHIPMENTS OUT OF PROVINCE WITHOUT PROPER PROVINCIAL AUTHORIZATION

On the order for the second reading of Bill No. 16, to control the export of game—the Minister of Mines and Resources:

Mr. HANSON (York-Sunbury): Before this order is called, may I politely ask the minister if, on the third reading of the bill, he will provide the information which the committee asked for in the committee stage on Bill No. 20?

Mr. CRERAR: Yes. I was going to suggest that I will take the matter up again with the officials of the department to see if it is possible to give the information. I have not the slightest desire to withhold information from the committee.

Mr. HANSON (York-Sunbury): I did not think the minister had. He did not have the information with him, but he was not frank enough to tell us.

Hon. T. A. CRERAR (Minister of Mines and Resources) moved the second reading of Bill No. 16, to control the export of game.

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

On section 1—Short title.

Mr. HANSON (York-Sunbury): The minister gave a rather inadequate explanation of this bill. I do not wish to waste the time of the committee unduly, but we were striving for a principle on the last occasion.

The CHAIRMAN: I suggest that on section 3—

Mr. HANSON (York-Sunbury): We can do it on the short title. I would ask the chairman to exercise some liberality.

The CHAIRMAN: The point I bring to the attention of the committee is simply that when we have a discussion on the proper section of the bill, it avoids repetition. There is no objection to a discussion on the short title or on the section with reference to definitions, but the principle to which the leader of the opposition refers comes under section 3. We are now on the short title.

Mr. HANSON (York-Sunbury): With all due respect, may I ask the minister, through you, Mr. Chairman, if under this section he will give a general explanation of the bill.

Mr. CRERAR: Yes. I am glad indeed to meet the request of the leader of the opposition, which is a reasonable one. As hon. members are aware, the control of game, the licensing of hunters, permits to trap, and everything relating to the taking of fur-bearing or other wild animals are wholly in the jurisdiction of the provinces within their respective boundaries. A province can take necessary steps to conserve fur-bearing animals within its own boundaries; that is, it can require a trapper to take out a licence to trap, to make a return of his take, and to give any other particulars that the provincial authorities may require of him. The same thing holds true with regard to the shooting of big game, in fact, the taking of any sort of wild animal for any purpose whatsoever.

A rather serious difficulty has, however, arisen in this respect. Frequently wild animals are illegally taken within a province. A province may declare a closed season for a period of time against the trapping or taking of beaver, for example; because, while beaver in large areas have almost disappeared, in our western provinces particularly, and also in the eastern provinces, there was a time in the history of this country when skins taken from beaver constituted a very large part of the total commerce in furs. A province may declare a closed season on beaver, and under those conditions it is illegal for any one to trap or take beaver within that province. As frequently happens, however, some trapper who does not take out a licence, illegally and against the laws of the province traps beaver within the province and has the pelts or skins

for sale. He cannot sell them within the province because, if he attempts to sell within the province, he must produce his licence or permit, and since none was issued to him he is in difficulties. But he will take these pelts or skins across the boundary into another province, and there is nothing in the laws of the second province that prohibits him from making a sale and putting the proceeds in his pocket. The purpose of this bill is to overcome that defect, and it is sought to overcome it by means of proclamation in provinces where it is necessary—and eight out of the nine provinces have asked for it. Then it will be necessary, before the trapper who has taken skins illegally in Saskatchewan, for instance, can sell them in Manitoba, to produce a licence or permit to take them in Saskatchewan. If he is unable to produce a licence or permit showing that he has taken them legally, he is in difficulties in the province in which he tries to sell them. The furs can be seized and he can be charged and fined or, if he fails to pay the fine, imprisoned. That, as simply as I can state it, is the purpose of the legislation.

Mr. STIRLING: Who issues that licence?

Mr. CRERAR: The province issues the licence where licences are being issued. If the trapper takes beaver illegally in Saskatchewan where there is a closed season, he knows that he cannot sell them there because he has to produce some government permit or licence, which he is unable to do. If, in that case, he takes these pelts across to Manitoba and attempts to sell them to a dealer there, the dealer would require him to produce a permit.

Mr. MacNICOL: What kind of a permit would he produce, provincial or federal?

Mr. CRERAR: It would be a provincial permit.

Mr. MacNICOL: So if he crosses the line he has to produce a permit, no matter where he goes?

Mr. CRERAR: Yes, before he can effect a sale he must produce evidence that he has taken the furs legally.

Mr. ROWE: In this matter I think the minister has given an excellent explanation, and I think this measure should pass. It deals with a difficulty that has arisen for many years and is something which will be of great assistance.

Mr. EMMERSON: The minister speaks of "game," and by section 2(b) "game" is defined as meaning the carcass or any part of the carcass, including the skin, of any wild animal, domestically raised fur-bearing animal, wild fowl or wild bird. I have heard no explanation whether this affects farmers who raise fur-bearing animals such as foxes. It appears that it would be an extra tax put on those farmers.

Mr. CRERAR: No, I think not. This would not apply unless there was a provincial law that applies.

Mr. HANSON (York-Sunbury): That is, if the provinces did not require a permit for raising fur-bearing animals domestically, then there would not have to be an export permit; is that what the minister is saying?

Mr. CRERAR: Take this illustration: Say the province of New Brunswick has a closed season on the taking of beaver. But some individual is operating a beaver farm. The provincial laws will control, either preventing him from making the sale or providing for sales. He can have a simple document showing that he is entitled to traffic in these skins, and if he took them outside the province—which he would not do, because if he were doing a legal business he would sell them within the province—

Mr. HANSON (York-Sunbury): The hon. member for Westmorland has in mind a case of the fur farmer in New Brunswick who raises foxes and exports them nearly altogether to the Montreal market. In that case will the fur farmer be obliged to take out an export licence in order to ship those furs to Montreal, and will there be an additional expense or tax on him? I think that is the point of the hon. member's question.

Mr. CRERAR: I think to-day he requires a licence to send them out of the province. In any event this legislation is intended to supplement the provincial legislation against illegal trafficking in furs. If a person who has a fox farm desires to sell his furs, he has the right to do it under the laws of the province, consequently this legislation would not touch him.

Mr. HANSON (York-Sunbury): In other words, it is confirmatory of provincial laws; if the provincial laws require it, he has to have an export licence; if there is no provincial law requiring him to have a licence to raise and sell, he need not have an export licence.

Mr. REID: I realize the desirability of such legislation as this, but will this enable one province to prosecute a man for not having a licence in another province?

Mr. CRERAR: As we proceed further with the bill it will be noted that penalties are provided for illegal practices. Reverting again

to the illustration I mentioned, if a trapper took beaver furs in Saskatchewan illegally and attempted to sell them in Manitoba, he could not produce his permit and under this legislation he could be charged and would be prosecuted.

Mr. HANSON (York-Sunbury): He would probably be prosecuted in both provinces.

Mr. CRUICKSHANK: In British Columbia we produce considerable furs. It is not quite clear to me whether if a man producing furs in British Columbia takes them, say to Saskatchewan, he has to get a licence to sell them there. Is that right? If he cannot sell them there and goes on to Manitoba, does he have to have another licence? I am speaking of domestically produced pelts.

Mr. CRERAR: No; the permits would not be issued for sale in any particular province. The permit is evidence that he has taken the animals legally.

Section agreed to.

On section 2—Definitions.

Mr. HANSON (York-Sunbury): Is it the intention to set up a series of game officers to enforce this legislation? If so, how many will there be, what will they be paid and how will they be appointed?

Mr. CRERAR: That is dealt with in a subsequent section.

Mr. JOHNSTON (Bow River): Would this legislation cover, under game or fur-bearing animals, the chinchilla which were introduced from Los Angeles, California, originally from south America, and which are now being raised on a ranch at Cardston? Can the minister inform me whether that Chapman ranch in California has obtained a charter to form a sales organization in Canada for the purpose of selling chinchilla pelts in Canada?

Mr. CRERAR: I have no information on that matter.

Mr. JOHNSTON (Bow River): But this legislation would cover that chinchilla organization, would it?

Mr. CRERAR: No; I should think that would be covered under the general customs tariff or laws of the country. The federal government has control over imports into Canada and exports from Canada.

Mr. JOHNSTON (Bow River): This legislation would empower them to exercise authority over the export of those pelts from one province to another, would it not? There are quite a number of these being sold now from Alberta, coming down to Ontario, I understand.

Mr. CRERAR: But they originate outside Canada?

Mr. JOHNSTON (Bow River): No; there is a ranch at Cardston, something like three of four hundred animals are there now, I understand, and I believe the intention is to start ranches in different parts of Canada. Therefore that would definitely come under this legislation?

Mr. CRERAR: No; this legislation would not touch that unless the Alberta government declared a closed season on chinchilla rabbits.

Mr. JOHNSTON (Bow River): This is not a chinchilla rabbit; it is the regular south American chinchilla.

Mr. CRERAR: This legislation would not touch that.

Mr. HANSON (York-Sunbury): Section 6 hardly covers the question I asked, under which, and having regard to section 2 (c), certain officials are made ex officio game officers. What I asked was whether it was the intention to appoint anyone other than those covered by section 6.

Mr. CRERAR: No.

Mr. HANSON (York-Sunbury): But still there would be power to do so?

Mr. CRERAR: Yes.

Mr. HANSON (York-Sunbury): This section just designates these as ex officio officers, but there is no reason why the government could not appoint other game officers under this clause if they so desired.

Mr. MacNICOL: Perhaps this matter does not properly come under this section, but last summer when I was at Churchill with a large party a number of the party purchased white fox furs from the Hudson's Bay company there. The furs were not finished; I do not know what had to be done to them after they were brought back, but when some of those people arrived in Ontario they had some difficulty over the purchase of those furs. Were they violating any law by buying unfinished furs and bringing them from Manitoba to Ontario?

Mr. CRERAR: On this point once again I must speak subject to correction, but my recollection is that a permit of some kind is required by an individual to purchase furs taken in the northwest territories.

Mr. MacNICOL: But Churchill is in Manitoba.

Mr. CRERAR: The furs were taken in the northwest territories.

Mr. MacNICOL: Well, I do not know that, but they were hanging in the store—

Mr. CRERAR: The hon. gentleman spoke of white foxes, which really only come from the arctic country.

Mr. MacNICOL: These furs were hanging in the store; the price was reasonable—I have forgotten just what it was—and several of the party purchased them. I know that some who brought them back to Ontario had trouble when they attempted to have the furs finished. I have forgotten just what the trouble was, but they certainly did not have any permits when they went into the store to buy the furs, nor were they told that they required permits. The furs were simply sold to them and brought back to Ontario. The furs had to be given treatment of some kind, and it was then that they found they had violated some regulation.

Mr. CRERAR: I am sorry I cannot give my hon. friend that information at the moment, but I shall be glad to have the matter looked into and communicate with him.

Section agreed to.

On section 3—Provincial export permit.

Mr. HANSON (York-Sunbury): This, of course, is the jurisdictional clause. My colleague has called my attention to the phraseology. Perhaps he would say what he has in mind.

Mr. STIRLING: As I read paragraph (a), it appears to me to say that a sale shall not take place in another province unless an export permit has been issued by the province in which the fur was taken, and I understood the minister to say that this became operative only if the province issued an export permit. If the province in which the fur was taken did not issue an export permit, this bill says that the fur shall not be sold.

Mr. CRERAR: If an attempt is made to sell it, the vendor comes under the provisions of the legislation.

Mr. HANSON (York-Sunbury): The last line of paragraph (a) looks to the issue of an export permit by the province, which permit may not exist. That point might bear a little more study. I should not like to express an opinion offhand, without looking into the matter more carefully. Perhaps this section might be left over for further consideration.

Mr. CRERAR: I might be able to clear it up. Let me read paragraph (a):

3. No person shall knowingly,

(a) take, carry, send, ship, or have in possession for the purpose of taking, carrying, sending or shipping or receive for shipment or transmission beyond the limits of the province within which such game was killed any game except under the authority of an export permit duly issued under the laws of such province.

Mr. HANSON (York-Sunbury): Is there not a constitutional question right there?

Mr. CRERAR: This requires any person who desires to send out of the province anything of this kind, including skins, to get an export permit.

Mr. HANSON (York-Sunbury): From the province?

Mr. CRERAR: Yes.

Mr. HANSON (York-Sunbury): What authority has the province to issue export licences?

Mr. REID: I do not think it has any power.

Mr. CRERAR: Yes, I think so.

Mr. HANSON (York-Sunbury): The province has authority to control these skins while they are within its territorial jurisdiction, in any way it likes, even to the extent of prohibition; but to say that the province shall issue export licences—well, I should like to think that over, to tell you the honest truth. I have a doubt in my mind as to whether that is within the power of the province.

Mr. CRUICKSHANK: R. B. Bennett said the province had the power.

Mr. HANSON (York-Sunbury): That is high authority, I admit, but I should like to think the matter over. The federal jurisdiction has the right to issue permits governing interprovincial trade; a province has not. I have not at hand the section of the British North America Act which governs, but my recollection is that the act itself prohibits that sort of interference with interprovincial trade. For instance, it is not beyond the realm of imagination that the province might say, "Well, you may not ship your silver foxes to Montreal. You will have to sell them here."

Mr. REID: Would the principle not be the same if they were potatoes?

Mr. HANSON (York-Sunbury): Yes.

Mr. HOWDEN: I do not wish to presume to instruct the minister, but I would suggest that this bill has more to do with game than with furs. Let me explain briefly what I mean. It is customary for fishermen to come from Winnipeg to the lakes of Ontario to fish for lake trout, of which we have none in our province. They come here and catch quite a number of trout, and they are allowed to take so many out of this province. But if they take more than a certain number out of Ontario, there is no way to punish them once

they get over the border. If they take back to Manitoba many more trout than they are permitted to take, under this legislation they can be followed to Manitoba and taken to court for a breach of the game law. The same situation appertains with regard to game in the western provinces. Hunters from Manitoba can go into Saskatchewan and shoot large numbers of chickens. Then they can come back to Manitoba and say, "Well, we can prove that we shot these in Saskatchewan," and heretofore Manitoba has had no power to deal with such cases. As I understand it, this bill is to give control in such cases no matter what province may be concerned. I think really that is the application of this law.

Mr. CRUICKSHANK: They take lobsters from New Brunswick all over the world.

Mr. ROSS (Moose Jaw): I agree with the hon. member for St. Boniface. Shooting parties go into the different western provinces, and when they want to take out their game they must get a permit from the province before they are permitted to do so.

Mr. HOWDEN: But once they get away they cannot be caught, and under this legislation they will still be liable.

Mr. ROSS (Moose Jaw): Absolutely. The question came up as to whether the provinces had a right to give export licences. They are giving them every fall, by the hundreds.

Mr. HANSON (York-Sunbury): Authority to take them out.

Mr. ROSS (Moose Jaw): Yes, to take them out of the province. But under the law they are allowed to shoot so many, and they must get a permit to ship those birds or game out.

Mr. HANSON (York-Sunbury): That is the exercise of jurisdiction within a province.

Mr. ROSS (Moose Jaw): Yes, but if they take that game across the boundary, into another province, under the law there is no way of going after them.

Mr. HANSON (York-Sunbury): It would be a nusiance in respect of a hunter from Ottawa going to the province of Quebec, and returning with a bag of partridge, a deer or something like that. He would have to have a permit.

Mr. ROSS (Moose Jaw): They have to have permits now, in western Canada, to go from one province to another.

Mr. CRERAR: The point was raised by the leader of the opposition as to the power of provincial authorities to regulate movement. The power of those authorities to regulate movement from one province to another by permit was considered by the Department of Justice. Indeed, this whole legislation was considered, and was approved by the law officers of the crown.

Mr. HANSON (York-Sunbury): I have no doubt about our jurisdiction in interprovincial trade; there is no doubt about that.

Mr. STIRLING: Does the minister imagine that the provinces will take this up, and institute export permits? They do not all have them now, do they?

Mr. CRERAR: I believe most of them have. The question of dealing with abuses which have grown up has been under consideration at conferences between the officials of the provinces and of the federal government. Eight of the provinces have asked that legislation of this kind be passed, so that they may effectively control the illegal taking of fur-bearing animals.

Mr. HANSON (York-Sunbury): It is an aid in that respect, and good legislation.

Mr. CRERAR: The only province which did not express an opinion in favour was Prince Edward Island. They said they had no objection to it, and stated that the condition did not arise in their province.

Mr. HANSON (York-Sunbury): They do not have wild game, anyway.

Mr. McNIVEN: The game laws of the provinces are premised upon the fact that the game in the province is owned by the province.

Mr. HANSON (York-Sunbury): By the crown.

Mr. McNIVEN: Yes; and licences are issued subject to certain terms, namely, that one may shoot so many in a day and so many in a season. If one has an outside licence, such licence contains a permit to export so many. The province has the right to give such privilege, because the crown owns the game. I concede that point, so far as wild game is concerned.

Another point, however, arises when one considers the domesticated fur-bearing animals. I am thinking particularly of Mr. McNeill who runs a fox farm at Fort Qu'Appelle. He has hundreds of foxes which he raises and subsequently kills. He markets their pelts in Montreal and New York, and at one time sold them in London, England. Saskatchewan cannot issue an export licence or forbid anyone so situated from exporting that domesticated fur-bearing animal, because it does not belong to the crown.

The same question arose in 1920, 1921 and 1922 when there were interprovincial export liquor houses in all the different provinces. Those provinces sought in one way or another to prohibit the export of liquor from one province to another, and were unable so to do. I understand that some years ago in Ontario they either imposed an export duty or forbade the export of pulp logs from the province. That was based on the principle that Ontario or the crown owned the natural resources and timber limits, and that they could authorize the cutting of timber on the understanding that it would not be exported or, if exported, subject only to payment of a certain charge.

Where the definition in section 2, paragraph (b) extends and applies to domestically raised fur-bearing animals, I suggest that the requiring of a licence for an export permit to be issued by the province, as provided in section 3, would be wholly ultra vires.

Mr. HANSON (York-Sunbury): I think the hon. member is right.

Mr. McNIVEN: I would suggest that the section be given further consideration.

Mr. CASTLEDEN: I understand that in a province a person must obtain a permit from the province to export game. Would that province not be responsible for the punishment of any person breaking the regulation? If this measure passes, would such punishment be placed under the jurisdiction of the dominion, and would punishment of the offender be a federal responsibility?

Mr. CRERAR: As I said earlier, the provinces have complete control over the taking of game and fur-bearing animals within their own boundaries. They do that now, I believe, in every case by the issue of permits or licences to trappers and hunters. But cases have arisen where individuals have taken game and fur-bearing animals illegally, and in the case of the fur-bearing animals have removed the skins from one province to another for purposes of sale. Had they attempted sale within the province where the animals were taken, they would have been apprehended, because they could not have produced the necessary permit or licence from provincial game authorities to show that the game had been taken legally.

The purpose of this legislation is not to add to or detract from the powers of provincial governments, but simply to provide machinery to check an abuse.

Mr. HANSON (York-Sunbury): A system of enforcing provincial law.

Mr. CRERAR: It is the principle of using the added authority of the federal government, so that the provinces may be in a position to enforce their own provincial laws.

[Mr. McNevin.]

Mr. CASTLEDEN: Outside their own provinces. Could they then go outside their own provinces?

Mr. HANSON (York-Sunbury): No.

Mr. CRERAR: It may be that the province from which the hon. member comes has a law declaring a closed season for the taking of beaver. No permits would be issued to trap beaver, and any beaver taken would under those circumstances be taken illegally. I know he would not do it, but if the hon. member did trap beaver illegally, and attempted to sell them within the province of Saskatchewan, he would not be able to produce a permit or licence stating that he had a right so to do. But he might slip across to the neighbouring province of Alberta, or into Manitoba. He could show that he was a resident of Saskatchewan and that the beaver skins had not been taken in Manitoba or Alberta. Consequently there would be no machinery to deal with him. This legislation provides the machinery to deal effectively with him.

Mr. BLACK (Yukon): What about domestically raised fur-bearing animals which are in an entirely different class from wild animals or birds? Has the province or the dominion the right to regulate the export of such animals between provinces?

Mr. CRERAR: I shall have to walk warily here because I do not belong to the learned profession of the law and must speak as a layman. The province has wide powers in connection with property and civil rights, and I think it would be within the right of a province to go quite far in legislating in connection with matters affecting those rights.

Mr. HANSON (York-Sunbury): But they cannot say that I shall not export my private property, my horse, for example.

Mr. CRERAR: Let me use an illustration, more to seek knowledge than to impart information. Assume that a farmer has some very fine silver foxes and that he is the only person in the province who has such foxes. The provincial authorities might take note of it and say that for a certain time the progeny of those foxes shall be retained in the province and refuse him the right to export.

Mr. HANSON (York-Sunbury): They could not do it.

Mr. CRERAR: I shall not attempt to discuss that with my hon. friend. I fall back upon what I said a moment ago, that this legislation has been approved by the law officers of the crown. I assume that if there

is anything in the bill along the lines referred to by the hon. member for Regina, it will be made manifest in due course.

Mr. DOUGLAS (Weyburn): I think most of us are confused. We can understand the minister's argument with reference to wild game; we realize that it is perfectly logical, but what we cannot understand is how the argument applies to domestic fur-bearing animals. Such animals are in the same position as live stock. They are a farm product, a totally different thing from wild game. Will the minister explain why this wild game legislation is being applied to domestic fur-bearing animals?

Mr. HANSON (York-Sunbury): I think I can help out the committee. There have been cases of theft of domestically raised fur-bearing animals and it is to keep down that sort of thing.

Mr. ROSS (Moose Jaw): Section 3 (a) states that no person shall knowingly take, carry, and so on, except under the authority of an export permit duly issued under the laws of such province. The province has no right to give a permit in connection with domestically raised fur-bearing animals. Therefore any person who would carry such animals across the border would be in immediate contravention of the law if this bill is passed. The bill says "permit duly issued," but they cannot issue a permit when they have not the right to do so.

Mr. EMMERSON: Have the provinces asked to have domestically raised animals included?

Mr. CRERAR: I cannot answer that at the moment. It is almost eleven o'clock, and since we are not likely to get through to-night, I shall move that the committee rise and report progress.

Mr. HANSON (York-Sunbury): Will the minister give consideration to subsection 2 of section 5? It may be all right for a game officer to have jurisdiction anywhere in Canada, but these game officers should not have the powers of a justice of the peace. They are to be the complainant, the prosecutor, the judge, the one who levies the fine and the one who carries it right on. That is very bad legislating. I would refer also to section 10 of the bill. All lawyers know that the criminal code provides that there shall be only one matter of complaint in any one specific charge. This section provides that section 710 of the criminal code shall not apply to any proceedings in respect of any offence under this bill. That is not good practice because that section is in the criminal code for good and important reasons. I am not going to elaborate upon it, but one offence under one charge is the principle which has been applied in our criminal law. If there are other offences, they are brought forward under separate charges so that the accused is not called upon to meet a dozen cases in one charge. I bring that to the minister's attention.

Progress reported.

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

14873—129

Tuesday, April 1, 1941.

The house met at three o'clock.

CONDENSED MILK

REPORT AS TO TRANSFER TO THE UNITED STATES OF BRITISH ORDER FOR A MILLION CASES

On the orders of the day:

Hon. J. G. GARDINER (Minister of Agriculture): The hon. member for Compton (Mr. Blanchette) yesterday asked a question with regard to the report that there had been transferred to the United States an order for a million cases of condensed milk. I wish to answer as follows:

The dairy products board has no information of the transfer referred to. The ministry of food inquired about the purchases of a million cases of unsweetened condensed milk from Canada during the present fiscal year. However, they have stated that under no condition was there to be any large increase in unsweetened condensed milk sales to them if it would affect our available cheese supplies. Indications are that Canada will be in a position to supply approximately the same amount of unsweetened condensed milk to the ministry of food as was supplied last year and still take care of domestic and other export requirements. In 1940 the ministry of food purchased approximately 1,500,000 cases of such milk in the United States in addition to supplies from Canada and there is every reason to believe that the same will be done again this year.

PRAYER FOR VICTORY AND PEACE

REVOLUTION IN YUGOSLAVIA AND SUCCESSES IN AFRICA, ALBANIA AND THE MEDITERRANEAN

On the orders of the day:

Mr. DANIEL McIVOR (Fort William): I should like to rise to a question of national and empire importance. March 23 was set apart as a day of prayer for victory. I took part in that day of prayer. Jew and Gentile, Protestant and Roman Catholic took part in

the observance of the day, bringing home to the people of the nation the seriousness of the hour. What was the result? To me it was a direct answer to that supplication that Yugoslavia rebelled, that we have had such successes in Africa and Albania, and that the Italian fleet has been demolished. I repeat, these achievements are to me a direct answer to our prayer. I do not think that we should ask the Divine Giver for any gift unless we expect an answer and are ready to cooperate to the utmost. As one who took part in that day of prayer I express my gratitude publicly to the Almighty.

SUGAR AND COFFEE

QUESTION OF RETROACTIVE APPLICATION OF TAXES AND PEGGING OF PRICE

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I wish to ask a question of the Minister of Labour (Mr. McLarty). Would the government agree to make the tax on sugar retroactive as was done in regard to butter, in order to get the parasites of Montreal, the wholesalers? Will he also agree to peg the price of coffee exactly as was done in the case of the farmer's butter?

Hon. J. L. ILSLEY (Minister of Finance): If the hon. gentleman is directing his question to me I would say that I dealt with the first part of the question, in regard to sugar, yesterday. With regard to coffee I will make inquiry into the situation. I am not aware of anything that requires action there.

Mr. CRUICKSHANK: I understood the Minister of Finance to say yesterday that this tax was being put on because there was certain heavy buying. During the regime of the last government they imposed a two per cent tax on sugar, and the firm of W. H. Malkin, in British Columbia, and others, apparently got advance information and purchased heavily.

TRANSPORT COMMISSION

REPORTED IMMEDIATE DISCONTINUANCE OF BEISEKER-LANGDON, ALTA., RAILWAY LINE

On the orders of the day:

Mr. C. E. JOHNSTON (Bow River): I should like to direct a question to the Minister of Trade and Commerce. I mentioned the other day that the railway line which runs between Langdon and Beiseker in Alberta is to be discontinued. The minister assured us that he had no information as to that, but thought it would not be done for some little time. My information now is that the railway employees working on that line have been informed by the railway officials that their services will not be required after to-day. Has the minister anything to say in that regard?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I know nothing about the facts just stated by the hon. member, but I shall make inquiry and let him know.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. C. D. HOWE (for the Minister of Transport) moved the third reading of Bill No. 13, respecting the appointment of auditors for national railways.

Motion agreed to and bill read the third time and passed.

TRANS-CANADA AIR LINES

EXTENSION OF INITIAL SUBSIDY PERIOD—CHANGING OF FIXATION-OF-RATES PERIOD

Hon. C. D. HOWE (Minister of Munitions and Supply) moved the second reading of Bill No. 26 to amend the Trans-Canada Air Lines Act, 1937.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

EXPORT OF GAME

PROHIBITION OF SHIPMENTS OUT OF PROVINCE WITHOUT PROPER PROVINCIAL AUTHORIZATION

The house resumed from Monday, March 31, consideration in committee of Bill No. 16, to control the export of game—Mr. Crerar—Mr. Vien in the chair.

Sections 1 and 2 agreed to.

On section 3—Provincial export permit.

Mr. HANSON (York-Sunbury): I have no objection to this procedure, but following the remarks made by the minister last evening we did expect that the war appropriation bill would be given the right of way.

Mr. MACKENZIE KING: The reason we have proceeded with this measure is that the appropriation bill, while it has been printed, is on its way to the house for distribution. I expect it will be here in a minute.

Mr. HANSON (York-Sunbury): I suggest to the Chairman, "more haste, less speed". We have no desire whatever to hold up any of these measures, but the minister was to take into consideration certain parts of this bill

[Mr. McIvor.]

before it was proceeded with and was to make some statement with regard to section 3 and other provisions that were under discussion last evening. It seems to me that this would be the appropriate time to have that statement.

Mr. CRERAR: The points raised by the leader of the opposition will be reached in subsequent sections, and it might be better to deal with them then.

Mr. HANSON (York-Sunbury): The minister will recall that there was considerable discussion over the clause in section 2, "domestically raised fur-bearing animal" and its application in this bill. Section 2 I understand has been passed.

Mr. CRERAR: I was not under the impression that section 2 had been passed, but probably it has been. Domestically raised fur-bearing animals are included because some of the provinces impose a royalty fee on the production of what are termed domestic fur-bearing animals.

Mr. HANSON (York-Sunbury): What provinces?

Mr. CRERAR: I cannot say at the moment, but I am advised that some do, if not all. This is to guard against the possibility of evasion of the provincial law with regard to the payment of the royalty. If under the laws of the province a fur farmer is required to pay a royalty on each pelt he produces he may take his pelts out of the province and sell them, and thus escape payment of the royalty. This is to meet evasions of the law of this kind.

Mr. HANSON (York-Sunbury): In other words the government is helping the provinces to collect their revenues. Notwithstanding this explanation, which may be a very good reason for the inclusion of this provision in the section, there is grave question in my mind as to whether this is constitutional.

Mr. CRERAR: Of course the committee will not expect me to give any opinion upon the constitutionality of any of the provisions of this bill. All I can say is that the bill has been approved, and I am advised that the wording of this section is in the form prescribed by the law officers of the crown. It also has passed the scrutiny of the attorneys general of all the provinces, who have signified their approval of this measure as it stands, with the exception of Prince Edward Island, who do not oppose it but who say they are not interested.

The purpose of this bill, in brief, is to assist the provinces to make effective the legislation on their statute books covering the taking of fur-bearing animals or wild animals of any kind. Some of the provinces require the trapper or the person who has fur pelts to take out a permit before he can ship them out of the province. The purpose of this provision is to ensure that the royalties are paid. If such pelts are shipped out of the province for sale without such a permit having been secured, the person shipping them will be liable under the provisions of this bill.

Mr. HANSON (York-Sunbury): What does the minister think of the definition of game to include a fur-bearing animal? It seems to me that is stretching the thing a long way, not for any dominion object but simply to help the provinces collect their revenues. Personally I think this provision should be dropped from the bill.

Mr. CRERAR: That would be against the wishes of the various provinces.

Mr. HANSON (York-Sunbury): No doubt; they want it to help collect their revenues.

Mr. CRERAR: The definition states:

(b) "game" means the carcass or any part of the carcass, including the skin, of any wild animal, domestically raised fur-bearing animal, wild fowl or wild bird.

I think it is quite within the competence of this act to define a domestically raised fur-bearing animal as game.

Mr. HANSON (York-Sunbury): I suppose you could include oysters under that definition, if you put that word in the statute.

Mr. CRERAR: I dare say you could.

Section agreed to.

Section 4 agreed to.

On section 5—Oath of game officer.

Mr. HANSON (York-Sunbury): I suggest to the minister that subsection 2 is altogether too wide and that all but the first clause should be dropped. This section reads:

(1) Every game officer shall, before entering upon the duties of his office, take and subscribe an oath . . .

(2) Every game officer shall for all the purposes of this act have anywhere in Canada all the powers of a peace officer or a police constable . . .

I have not the slightest objection to that; I think it is quite proper. But then you go on and clothe these game officers with all the power and authority of a justice of the peace anywhere in Canada. This is what will happen. A game officer comes across an alleged

violation of this statute. He lays the charge, tries the culprit and collects the fine right on the spot. If hon. gentlemen have ever been caught in a violation of a traffic law in certain portions of the north American continent—

Mr. RALSTON: Speak for yourself.

Mr. HANSON (York-Sunbury): As a matter of fact it did not happen to me, but it did happen to a friend of mine. I was not guilty this time, though I suppose I have transgressed the traffic laws on many occasions. A traffic officer stops a man for a violation of a traffic law and tells him that if he will give him $10 or $25, whatever it may be, it will be all right; apparently in some jurisdictions he has authority to do that. If a man is in a desperate hurry very often he will fall for that sort of thing and pay the ten dollars rather than stay over for a day and go to the police court, even though he may think he has a fair defence.

I do object to the principle underlying this section, that an officer charged with the enforcement of the law should be judge and jury and impose the penalty. It is bad principle and a very dangerous one, and I object to it. I shall not elaborate the reasons which underlie that statement, but I do appeal to the minister not to put through this provision. Let the ordinary operation of the law apply. We have plenty of laws to cover this sort of thing. Do not let the traffic officer or the game officer, as the case may be, act as judge on the facts and have complete jurisdiction to impose the penalty, so that perhaps an innocent person may suffer. The whole principle is wrong. I am not suggesting that the game officer may pocket the fees; that, of course would depend on the individual, though I have often wondered in the case of traffic violations whether moneys paid to these officers found their way into the public treasury.

This is an exceedingly bad principle; I do not think I ever saw it before in a federal statute. We have plenty of machinery for adjudicating upon these offences. Let them go through the ordinary process of law; let them be heard by a magistrate or a judicial officer who is not himself promoting the charge.

Mr. REID: Has the dominion power to confer this right on officers?

Mr. HANSON (York-Sunbury): The hon. member raises a question of much greater academic importance, but I am trying to treat this matter realistically and press it home on a point which I am sure will appeal to the minister as a layman. I have never looked into the question whether or not the dominion has power to appoint justices of the peace. In rare cases we do appoint king's counsel, but ordinarily the appointment of justices of the peace is done by the provinces. I think the dominion has authority to make these men peace officers, or rather to give them all the powers of peace officers, making them analogous to peace officers appointed by a province. But to say that this same man shall be the judge, when he is promoting the charge, is contrary to our sense of British justice. It is wrong. I hope the minister will reconsider this provision in the light of what I have said.

Mr. CRERAR: In regard to the question raised by the hon. member for New Westminster it will be observed that the officers endowed with powers under this measure can exercise such power only in so far as the enforcement of the measure is concerned.

I too raised the point which has been raised by the leader of the opposition because to me, a layman, it appeared an unusual procedure. The purpose of including this power, one which is somewhat out of the ordinary, is to meet conditions which may arise in the more remote parts of the country.

Mr. HANSON (York-Sunbury): That is just a matter of expediency.

Mr. CRERAR: Permit me to give an illustration. There may be a violation of the law in a remote part of northern Saskatchewan or Alberta. Any officer of the province, whether he be a mounted police officer or a game officer, is authorized under the measure, as I read it, to act as a magistrate in hearing a case which comes before him. In his capacity as law enforcement officer I believe it would not be possible for him to bring a case before himself as justice of the peace. In other words as justice of the peace he could not take evidence from himself in his capacity as law enforcement officer. But if there were two police officers in the circumstances I have mentioned, one could act as law enforcement officer and the other as justice of the peace.

Mr. HANSON (York-Sunbury): From the point of view of justice I do not think that has improved the situation very much.

Mr. CRERAR: I am advised that the purpose of the provision is to meet certain circumstances which may arise in remote parts of the country. Of course it would never be put into effect in a more thickly populated community.

Mr. HANSON (York-Sunbury): That is just the point: it will be put into effect in more thickly populated communities. I would say in the neighbouring country that is done every day, somewhere, in connection with breaches of traffic laws. That is an analogous position. I realize that there is some force in the minister's argument in respect of breaches of the law in more remote parts of the country. It is more difficult to have the machinery of the law operative in those parts. Per contra, however, it is much more difficult for an accused to defend himself under those circumstances. He would not have the benefit of the advice, to which he would be entitled, of any member of my profession. An innocent man could be at the mercy of an over-zealous or too officious law officer. It is of the protection and liberty of the subject, and his pocketbook, that I am thinking. There is a principle at stake, and the exceptional case to which the minister has referred should not be taken as governing the general rule.

Mr. GRAY: It is not often I rise to agree with the leader of the opposition. The minister states that this is no ordinary section; I say it is extraordinary. I can recall an attempt of a somewhat similar nature when I sat in opposition, and I recall, too, that I condemned it at that time. For any police officer to be permitted to act also as judge and jury of an accused man is certainly a principle this house should not establish.

Mr. McNEVIN: Is it not true that a number of provinces have provincial game wardens clothed with similar authority?

Mr. HANSON (York-Sunbury): That does not make it right.

Mr. McNEVIN: A visiting tourist may be accused of some infraction of the law in one of our northern communities. He may not wish to have the publicity of a trial. As the minister has said, two officers can do the work, and it is assumed to be more satisfactory to permit them to do so. I do not say that it is either right or wrong, but I do say that a number of provincial game wardens have been clothed with that authority for a number of years.

Mr. HANSON (York-Sunbury): That is only an argument in favour of expediency. I am obliged for the support which has been given by the hon. member for Lambton West.

Mr. MacNICOL: He is right once in a while.

Mr. HANSON (York-Sunbury): Frankly, Mr. Chairman, I have no doubt as to the position I have taken. The minister should not carry this through. I have stated my position as to the proposal embodied in this provision; it is indefensible, and with that statement I shall be content. I appeal to the minister's sense of justice. His desire to do the expedient thing should not overcome his sense of what is just and proper.

Mr. CRERAR: Does my hon. friend think it possible that under this section an officer may lay a charge against an accused person, gather evidence with respect to it and then sit in judgment on it?

Mr. HANSON (York-Sunbury): I certainly think he would try to.

Mr. CRERAR: I do not think it is possible.

Mr. TUCKER: As I understand it, a game warden would investigate a charge. Then he would go to a person and say, "This is the evidence I am prepared to give. I have a right to take your plea of guilty, and I think it would be wise for you to plead guilty". In that way he could persuade the accused to plead guilty. Then he could fine him or impose a penalty. In such a case he would be acting as investigator, accuser, and judge, in his latter capacity imposing a penalty. It would be a terrible state of affairs.

Mr. HANSON (York-Sunbury): It would.

Mr. DOUGLAS (Weyburn): I can well understand the desire of the minister to clothe officers with extraordinary powers in isolated districts, but the power given a game warden under section 5, subsection 2, should be read in the light of sections 7, 8 and 9. In section 7 the game officer is given power to bring any person who has contravened the act before a justice of the peace. By section 8 we give any justice of the peace power to issue a search warrant, under the authority of which a game officer may enter a home or building at any hour of the day or night. By section 9 we give a justice of the peace power to issue a summons. Looking at it purely from the layman's point of view it seems to me that one game officer could clothe the other with authority to carry on a most extraordinary procedure. One game officer could issue a search warrant to another to search a home.

An hon. MEMBER: Or to himself.

Mr. DOUGLAS (Weyburn): Yes, or to himself. Then, in turn, the evidence of one officer could be heard before the other—or an officer could even hear a case before himself, in which event the game officer would become the enforcement officer, the issuer of the search warrant, the magistrate and the executioner, all in one. If that is not intended, I suggest the intention should be made clear and the legislation made more specific.

Mr. CRERAR: I do not think that that could possibly arise under the section. Certainly it is not intended. But in view of the discussion on this section I will ask that it stand, and—

Mr. HANSON (York-Sunbury): Review it.

Mr. CRERAR: I will have it reviewed by the law officers of the crown, to see whether the difficulties exist which have been alluded to this afternoon.

Section stands.

On section 6—Other officers ex-officio game officers.

Mr. NICHOLSON: Should not the remaining sections stand until we get further information on the previous section?

Mr. CRERAR: No, I do not think that is necessary.

Section agreed to.

On section 7—Seizures.

Mr. STIRLING: It is not plain to me what follows the actions of the game officer. He meets this person away up in the far north, and the minister desires to clothe him with sufficient authority. What happens next? Under section 7 he seizes the pelt, does he not, and he brings the matter before a justice of the peace. He lays a complaint and the case is brought before the justice of the peace, who decides what other penalty shall result from the misdemeanour if the person is convicted. Is that the course which it takes?

Mr. CRERAR: That, I take it, would be the effect of section 7.

Mr. HANSON (York-Sunbury): Section 9 covers it.

Mr. CRERAR: The hon. member for Yale, I take it, is objecting to the rather extraordinary power which, he claims, is given in the section, which provides that where a game officer has reason to suspect that the provisions of the act have been contravened in respect of any game or package, shipment or consignment, he may seize it. About three years ago—I believe, at the session of 1938—a bill was introduced and passed by the house controlling the export or the movement of furs from the northwest territories to Alberta and Saskatchewan. As I recall, the precise power was given there which is conveyed here, because of the possibility of pelts being transferred illegally from one province to another. A trapper came to Alberta with over 300 beaver skins which he had taken illegally in British Columbia. Having so large a number of skins, he could hire an aeroplane and come with his freight of pelts to the airport near Edmonton. Under such circumstances, if a police officer at that point has reason to suspect that the pelts have been taken illegally, he can seize them immediately and hold them until the matter is settled by due process of law before a magistrate. If he has not the power to do that; if he has to go somewhere to get a search warrant before he can appropriate the skins, they may be half way to Calgary by the time he gets the search warrant, and thus the law is evaded.

Mr. HANSON (York-Sunbury): The same provision is to be found in all the liquor laws of the country. If an officer sees something which he has reason to believe is illegal, he has the power of seizure. If he has not, it would be just like folding up so far as the enforcement of the law is concerned. I see no objection to this power being conferred if the law is to be made effective.

Mr. NICHOLSON: I realize the difficulty in connection with the administration of justice in the far northern parts of Canada, and I think it is important that game officers should have the right of seizure. But section 7 provides that a game officer shall have the right to seize and to bring the case before a justice of the peace, which is himself, and decide.

Mr. CRERAR: No, no.

Mr. NICHOLSON: Section 7 reads:

> Any game officer having reason to suspect that the provisions of this act have been contravened in respect of any game or package, shipment or consignment may seize the same and bring it before a justice of the peace having jurisdiction in the matter.

He himself is to be the justice of the peace, and he will have jurisdiction. He will have not only the right to seize but the power to determine the penalty. We should not pass legislation which will give any game guardian these extraordinary powers. The clause should stand until section 5 is clarified.

Mr. CRERAR: We want to make progress with the bill. I should like to oblige the hon. member for Mackenzie, but subsection 2 of section 5 is to stand, and I do not think it is necessary that section 7 be held over as well.

Mr. NICHOLSON: I cannot see the point of passing section 7 if the minister is going to reconsider section 5. These other sections should stand until the minister gives us definite information.

Mr. HANSON (York-Sunbury): On the point raised by the hon. member for New Westminster, about the appointing of justices of the peace by the dominion, I suggest to the minister that he had better look at paragraph 14 of section 92 of the British North America Act, which, I think, conclusively proves that only the provinces can appoint justices of the peace.

Mr. CRERAR: Well, I shall look into that.

Mr. HANSON (York-Sunbury): On page 439 of Beauchesne's Parliamentary Rules and Forms the matter is dealt with from the point of view of constitutionality. Perhaps the minister will review that.

Mr. CRERAR: That relates to subsection 2 of section 5?

Mr. HANSON (York-Sunbury): Yes.

Mr. CRERAR: Under subsection 2 of section 5 justices of the peace are not appointed; but officers are given the power of justices of the peace for the purposes of this act only. Whether that makes any difference or not I do not know.

Mr. HANSON (York-Sunbury): So that if a man is not a justice of the peace in a province you can make him a justice of the peace ex-officio, or attempt to do so? I do not think you can.

Section agreed to.

On section 8—Search warrant.

Mr. HANSON (York-Sunbury): Apparently this section has been drafted with a good deal of care. It reads:

(1) Any justice of the peace who is satisfied upon oath that there is reasonable ground for believing that there is in any store, shop, warehouse, outhouse, dwelling house, garden, yard, vessel, railway, vehicle, aircraft or other place game kept or concealed contrary to the provisions of this act may issue a warrant under his hand authorizing some constable or other person named therein to search such place by day or night for such game and to seize and bring it before the justice—

In circumstances such as the minister has suggested—in remote parts of the country a justice of the peace is not apt to be a highly trained man—I have often been bothered about the jurisdiction to issue a search warrant. I have heard of a justice of the peace issuing a search warrant on a mere verbal statement under oath. My own view is that the proper practice is that the statement shall be not only under oath but in writing, so that the writing may be available, in case of conviction, for review under writ of certiorari. Would the minister care to put the words "in writing"—in the section, to indicate clearly the form in which the deposition must be made? That is what the trained magistrate always does or ought to do, but some who are not trained well swear the witness, take oral statements under oath, and then proceed to issue a search warrant. The minister's colleague (Mr. Ralston), a well-trained lawyer who must have had much experience along this line in his younger days, knows that the deposition is the basis of the jurisdiction for issuing a search warrant. If the deposition is bad, the whole thing goes by the board. The same is true of an information in a criminal case; if the information is bad, nothing afterwards can cure the proceeding. If it is defective *ab initio* it cannot be cured by a hearing later on. It is a long time since I have looked into the matter, but I think that is sound law. You get it so ingrained in your mind that you never forget it. I suggest that the evidence upon which the magistrate issues a search warrant shall be given not only under oath but in writing. I am trying to help the minister improve his bill, not trying to block it at all.

Mr. CRERAR: We will let this stand, as the other subsection is standing.

Section stands.

On section 9—Justice of peace to issue summons, etc.

Mr. HANSON (York-Sunbury): I do not see any objection to that.

Section agreed to.

On section 10—Information and complaint.

Mr. HANSON (York-Sunbury): This is a reversal of what was the old common law and is now the law by statute. It means that you may have a multiplicity of charges in one information. I object to it on principle. It has been established over a long period of years, based on sound reasoning, that there shall be only one offence in an information. But here is a sort of omnibus clause which may mean that of a dozen charges one may stick. That is bad in principle. I suggest that the ordinary rule long-established in our criminal law and subsequently carried into the criminal code be adhered to. The present subsection 3 of section 710 of the criminal code, proposed to be amended by section 10 of the bill, provides as follows:

Every complaint shall be for one matter of complaint only, and not for two or more matters of complaint, and every information shall be for one offence only, and not for two or more offences.

The books are full of cases in support of that principle, which should not lightly be

departed from. We are being asked to legislate on an exception, and it is bad law. I ask that the section stand so that it can be looked into.

Mr. CRERAR: I think that section 10 requires to be read in conjunction with section 12.

Mr. HANSON (York-Sunbury): Section 11, perhaps.

Mr. CRERAR: No. Section 12 provides:

> Any fine imposed upon a conviction of an offence involving more than a single article of gain shall be computed in respect of each such article as though each such article had been the subject of a separate complaint.

That means that if a person brought in say twenty skins which it was illegal for him to take he could be charged with twenty separate offences, but under subsection 3 of section 710 of the criminal code he could be charged with only one offence. Section 10 is introduced in the light of the provisions of section 12, so that subsection 3 of section 710 of the criminal code which I have just quoted shall not apply.

Mr. BOUCHER: Does not section 10 go much further than that?

Mr. CRERAR: That principle is already in effect in some of the provinces. In Ontario, for instance, a person may be charged in respect of each article illegally taken. Each constitutes a separate complaint. It is a nice question whether such a provision is too severe to apply to the cases that will arise under this legislation. All I can plead in its behalf is that the representatives of the provincial governments who have met with the federal authorities on more than one occasion consider that the wrongful practices which have grown up call for a stringent penalty, so I am advised, in order to get rid of these abuses.

Mr. HANSON (York-Sunbury): I am not impressed by the minister's argument about what the provincial officers have advocated. I am reminded of the legislation that was put on the provincial statute books in the days of prohibition with respect to infractions of the intoxicating liquor laws. While I supported the principle of prohibition, the New Brunswick intoxicating liquor act, which was put on the statute book by my friends down there, simply shocked one's sense of justice. A man was guilty before he came into court. The whole onus was put on him to show that he was not guilty.

Mr. MARTIN: You should have seen our act.

Mr. HANSON (York-Sunbury): Yes, and it is all wrong. Does not my hon. friend agree with me?

Mr. MARTIN: Hear, hear.

Mr. HANSON (York-Sunbury): The provincial officers administer the criminal law; they are not charged with the duty of framing the laws. Their duties, except with respect to infractions of their own prohibitive acts, are almost wholly administrative, not legislative, and I do not think they should have very much to say about this legislation. But should we not have something to say about the person who is charged? Who is going to defend him if we in parliament do not raise a voice on behalf of perhaps an innocent accused?

Mr. REID: The public are losing their rights day by day.

Mr. HANSON (York-Sunbury): Absolutely, and not only losing them—they have lost them. The government year in and year out by order in council are setting aside the statutes passed by parliament while parliament is in session, and doing it under the guise of the War Measures Act and of the War Appropriation Act. It comes to me as a great shock to learn that the government of Canada, under a Liberal administration, is legislating by order in council under the apparent authority of the War Measures Act and the War Appropriation Act to set aside important sections of the Consolidated Revenue and Audit Act. It will be a great shock I think to the people to learn that under the guise of war necessity the government is setting aside, when parliament is actually in session, the considered laws of this country. Talk about parliament being thrown into the discard! Well, I am going to have something to say about this subject a little later. Perhaps it is not quite germane to this discussion but I feel strongly on the point, and I am giving notice that at a more appropriate time I intend to review the whole position. In the circumstances and the stress of war, if the government were advised that it was legally sound, it might do this when the house was not in session, but I am really shocked that a house led by the present Prime Minister, champion of liberty, should set aside a statute of the parliament of Canada when the house is in session.

However, to come back to game, which is more mundane, I do suggest to the minister that there was sound reason for the subsection 3 of section 710 of the criminal code, and this parliament ought not lightly to depart from the principle therein embodied. It is another instance of doing the expedient thing, not the just thing, in a given case, and I think the minister ought to review the matter. It is

done purely as a matter of expediency. The minister referred to fines being accumulated under section 12. I see no difficulty about making the punishment stringent enough. Take the case of a wholesale bootlegger or smuggler; that can be taken care of by appropriate language.

Let us not depart from the sound, well-established principle of our criminal law—one offence, one charge, one hearing. The minister would be well advised to reconsider the point. I would ask that the section be allowed to stand.

Mr. BOUCHER: While the interpretation given by the minister in relation to section 12 has some weight, section 10, particularly if coupled with section 5, subsection 2 as it now stands, permits a game warden to go back into some remote section of the country, find an accused, lay a charge, adjourn the case from time to time as justice of the peace, and conduct it where he will. He can lay what charges he likes, accumulate as many charges as he likes, and leave the accused no opportunity whatever to defend himself or to know the charge he is facing until he appears before his prosecutor, who also acts as judge. I think the committee will agree that the penalty itself should be severe in cases of this kind, but penalty is one thing and guilt another. The utmost care should be taken, especially in view of the nature of the offence, to give the accused every possible chance to justify his own acts before a fair tribunal, with every opportunity to understand the charge made against him, and to put in his proper defence.

We should not lose sight of the necessity of maintaining the old principle of British justice under which a man is deemed to be innocent until he is proved guilty by an adequate court. We should not depart from this principle by putting too much authority into the hands of a game warden and leaving the accused without any protection whatever. In Ontario particularly, I believe, the principle has generally been observed of keeping the local magistrate in charge of nearly all offences within his jurisdiction and keeping justices of the peace from every judicial position if the magistrate is accessible. If you have every game warden a justice of the peace you will upset the equilibrium of the whole administration of justice under the Game and Fisheries Act, and it would be grossly unfair to the person asked to defend himself before a prosecutor who is also judge.

Mr. CRERAR: I admit that under the act very heavy penalties could be imposed.

Mr. HANSON (York-Sunbury): I am not raising any objection to that. If it is wholesale they should be punished.

Mr. CRERAR: How one can measure properly the weight of the penalty that should be imposed is of course a matter of opinion.

Mr. HANSON (York-Sunbury): No; it is a matter of judicial discretion.

Mr. CRERAR: It is a matter of opinion when we are considering it in this house.

Mr. HANSON (York-Sunbury): Fix a maximum and minimum.

Mr. CRERAR: Clearly the intent of this legislation was that the violator of the law would be separately charged on each pelt he had.

Mr. HANSON (York-Sunbury): Not separately—that is the point—but collectively.

Mr. CRERAR: Well, he would be collectively charged but he would be fined on each. Each one would be regarded as a different offence.

Mr. HANSON (York-Sunbury): That does not necessarily follow.

Mr. CRERAR: I mentioned a moment ago the case of a trapper who had taken into Alberta over 300 beaver skins that he had illegally taken in British Columbia. The contention of the leader of the opposition, as I understand it, is that under the law that should constitute only one offence.

Mr. HANSON (York-Sunbury): No.

Mr. CRERAR: The intention of the bill is that if the minimum fine of $10 were applied it could be applied on each beaver skin, which would be a separate complaint, and the total fine would be over $3,000.

Mr. HANSON (York-Sunbury): Does not the minister think that the draftsman had in mind something of what I am suggesting when he made the maximum fine $1,000 and the gaol term a year? That would be a pretty severe sentence for one skin, and yet it could be imposed. The two things seem to me to be incompatible; two ideas have got mixed in the drafting.

Mr. CRERAR: I do not think my hon. friend is quite right there. Suppose a man takes one beaver skin illegally in Saskatchewan and takes it into Manitoba and is charged under the act.

Mr. HANSON (York-Sunbury): He could be fined $1,000.

Mr. CRERAR: Yes, or he could be fined $10. If he took 300 beaver skins in Saskatchewan and brought them into Manitoba he

could be charged and fined $1,000 as a maximum or $10 as a minimum, if this provision is dropped.

Mr. HANSON (York-Sunbury): He might be fined $1,000 on each skin; I am not sure. I should like to think it over.

Mr. CRERAR: Rightly or wrongly it is not considered a sufficient penalty, with a lenient magistrate, for an offence of the kind.

Mr. HANSON (York-Sunbury): The magistrate may, under those circumstances, impose a fine, upon conviction for an offence involving more than a single article, that is, more than one skin, "computed in respect of each such article". Each such article has been the subject of a separate complaint and he may be fined $1,000 for each article. That is my hurried construction of it.

Mr. CRERAR: I may be wrong, but if we dropped section 10 that could not be done, because the section from the criminal code quoted on the opposite page would apply. The purpose of section 10 is to enable the magistrate to do just what the leader of the opposition says.

Mr. BLACK (Yukon): As I see it, section 10 is in no way dependent on section 12, nor is section 12 dependent on section 10. They deal with altogether different matters. By section 10, section 710 of the criminal code, which limits the complaint to one offence, is done away with. If section 10 is passed, prosecution under this measure could include any number of offences in one complaint, which as I see it is highly improper.

The minister mentioned the case of 300 beaver skins found illegally in a man's possession. There is no reason in such a case why there should be more than one complaint. If the accused is found guilty in regard to 300 the penalty can be appropriate. This has nothing to do with section 10. He could be and probably would be fined much more for having 300 skins in his possession illegally than for having one.

Mr. HOMUTH: And the government gets the skins.

Mr. BLACK (Yukon): Section 12 does not leave it in the judgment of the magistrate to say how he shall compute the penalty. It says the penalty "shall be computed in respect of each such article". The fair way to word it would be "may be computed in respect of each such article". As it is now, the magistrate has no option; if there are ten articles he must impose ten penalties.

Mr. CRERAR: Let section 10 stand also, and we will look at it.

Section stands.

On section 11—Offence. Penalty.

[Mr. Crerar.]

Mr. NICHOLSON: In view of the fact that the law officers of the crown express the opinion that the game officer as defined by this bill can be the same person as the justice of the peace, would it not follow that if we passed section 11 the one individual would be permitted to sentence a man to pay a fine not exceeding $1,000 or to a term not exceeding one year in gaol? I suggest that this section also stand until the minister has advice from the law officers of the crown.

Mr. CRERAR: I am agreeable to that.

Mr. ROEBUCK: I should like to say a word on this matter of justices of the peace generally, since the matter is standing for consideration.

In 1934 there was a very considerable reorganization of the entire arrangements concerning justices of the peace and magistrates —and incidentally constables—in Ontario. It is most important that any dealing with justices of the peace be in line with what Ontario is now doing; and I think other provinces followed the example.

Prior to 1934 in Ontario there was a very large number of local magistrates, men who had their little principalities, with an office in the courthouse, as a rule, in the county town and all the large towns of the province. The number of justices of the peace in Ontario was estimated at 10,000.

Mr. HANSON (York-Sunbury): It used to be an honour.

Mr. ROEBUCK: I had the pleasure, shall I say, of recommending to council the discharge or cancellation at one fell swoop of the commissions of 10,000 justices of the peace.

Mr. HANSON (York-Sunbury): Lord High Executioner!

Mr. ROEBUCK: Well I swung the axe with a good deal of satisfaction. Then we proceeded on another basis, that of selecting men of high class in the various communities, the best that could be found, often the clerk of the municipality—men of that type—and making them justices of the peace with authority and a job to be done. Instead of the magistrate hearing first the complaint from the policeman and later the evidence and finally giving the decision, we divided the functions: first, the policeman laying the charge; next, the justice of the peace issuing the warrant or summons, preparing the case for trial. Then we divided the province into seventeen great districts, each district having two or three magistrates who travelled around, so that we had itinerant

magistrates instead of local resident magistrates. The effect was tremendous; there was a great improvement in the junior criminal courts of our province. It would be a serious mistake if the dominion government should constitute policemen justices of the peace and reduce the status of the justice of the peace, which during the last six or seven years has been raised to one of real responsibility in the community. That would be a major error.

Three distinct functions are involved here. First there is the function which attaches to the policeman. He is full of suspicion. He has the police mind—and that is the proper mind for a policeman. The justice of the peace is a judicial officer. He decides whether a warrant should or should not issue, whether it should be a summons, or whether any charge at all should be laid. He must know something of the law. It is a mistake to allow the official who prepares the case and does the interlocutory work in the case to make the final decision. You may have a man capable of doing all three, but the public never credit him with the ability. If you are to have justice which is respected by the community you must reserve final decisions to a magistrate who has nothing else to do with the case and is therefore impartial.

I hope this matter will be thoroughly discussed and considered in the light of the experience in my province, supplemented I have no doubt by experience in other provinces, before we take any such step as is suggested.

Section stands.

On section 12—Fines cumulative.

Mr. HANSON (York-Sunbury): This is mandatory. The convicting magistrate will have no option but to compute the fine imposed upon conviction "in respect of each such article as though each such article had been the subject of a separate complaint and the fine imposed shall be the sum payable in the aggregate as a result of such computation." I suggest that the word "shall" should be changed to "may," leaving it permissive with the convicting magistrate.

Mr. CRERAR: If my hon. friend will permit me, I have an amendment proposing that very thing.

Section stands.

On section 13—Bringing into force by proclamation.

Mr. HANSON (York-Sunbury): This is a case of "off again, on again, gone again, Finnegan." The section provides:

> The governor in council may as often as occasion requires declare by proclamation that upon and after a day therein named this act shall be in force in any province—

The governor in council can undo that and then do it again. I never saw such legislation as this; it is unique. Why is this power required? To-day it is the law, to-morrow it is not, in a given territorial jurisdiction. This kind of legislation is utterly indefensible. The discussion has shown, I think, that this is what I would term ancillary legislation to help the provinces enforce their game laws and collect their revenues. Well, I may be preaching heterodoxy at the moment, but we have never had very much respect for the game laws as such. After all the violation of a game law is not a crime. Those from the province of Quebec who are students of the civil code will recall—and I am in your hands now, Mr. Chairman—things which are called *mala in se* as distinguished from *mala prohibita*. In the first case the act is ethically wrong; in the second it is a prohibited act, and some prohibited acts are fantastic. The game laws are enacted on the theory of conservation, of course. The smuggling of game, and smuggling generally to defeat the customs, is merely a prohibited act, and legislation with regard to that is legislation with regard to prohibited acts. How far should this parliament use its power and authority to assist the provinces to enforce the game laws?

There is a principle involved in this legislation. I am not going to oppose the principle; the minister has been satisfied by representations of eight of the nine provinces that they desire this legislation, and so far as I am concerned it is not going to fall on me. I am not going to smuggle any game, and I am not in very great sympathy with those who may do so; but after all there is a principle here in this section. You proclaim it the law to-day and it is not the law to-morrow, by a second proclamation. Think it over; that is all I ask.

Mr. CRERAR: This is brought into effect with regard to a particular province by proclamation. If that province entirely washed out all licensing in connection with the trapping and selling of furs, the need for this legislation would disappear. In that case I presume the intention of those who drafted the legislation was that it could be made of no effect in that province. Then if the province reimposed licensing conditions in connection with the taking of game or the payment of royalties, the act could be again proclaimed so far as that province was concerned. I know this lends itself to the humorous description given by the leader of

the opposition a moment ago, but last night I understood the hon. gentleman to say that he was in favour of the principle of this legislation.

Mr. HANSON (York-Sunbury): That is, not to smuggle game.

Mr. CRERAR: I rather gathered from the hon. gentleman's remarks a few moments ago that he had altered his opinion.

Mr. HANSON (York-Sunbury): Oh, no; I did not say that. That is the minister's interpretation.

Mr. CRERAR: Of course it is quite open to any of us to change our opinions, but usually that is not done within the course of twenty-four hours. However, perhaps this section may be allowed to stand and we will review it also.

Mr. HANSON (York-Sunbury): You had better review the whole bill.

Mr. TUCKER: Anyone who attempts to practise law is always faced with the problem of knowing what the law is, and the situation is getting worse all the time in this regard. There should be some certainty about the law. If someone comes in and asks, "Well, what is the law in that regard," you should be able, at least in regard to law other than that concerning the war, to look up your revised statutes and the annual revisions of the province and the dominion—and of course if there is any municipal law involved you should get in touch with your municipality—and give a definite answer. But suppose five or six years from now some action is taken under this section. There is a provision here that by proclamation, at any time, this law may be repealed or brought into force again. It may be even repealed and brought into force two or three times in ten years. How in the world is anybody to know what the law is? If you are to have respect for law in this country; if you are to be able to place upon any citizen the onus of being charged with knowledge of the law—because ignorance of the law excuses no one; a man is assumed to know the law—then we must be reasonable with our people and must have the law in such a state that they can be expected to know it. If the law is to be changed by order in council or by proclamation; if it can be brought into force, taken out of force and then brought into force again, how in the world is the citizen or anyone advising the citizen to know what is the law?

The answer may be that you should write Ottawa and find out the law. Is it not getting very far away from the certainty of law and the administration of the law as passed by parliament, if in order to advise a man you have to get in touch with the government to find out what is the law? I would very strongly advise the minister to eliminate any such provision as this. If people are to obey the law they must know what it is. If we are not to have the law brought into contempt; if we are to have some certainty about it and some respect for it, the people must know what the law is. Otherwise they are going to break it; that cannot be helped. I urge the minister very strongly not to have a provision of this kind in this section. It is bad enough to provide that a section may come into force upon proclamation; then you have to find out if a proclamation has ever been issued. But if you are going to say that a law can be taken out of force by proclamation and then brought back into force in the same way, it seems to me you make it impossible for people to know what is going on.

Mr. BRADETTE: I should like to mention just one or two points which perhaps apply particularly to northern Ontario. Several hon. members have severely criticized the matter of a cumulative fine, but there is something worse so far as the game laws of Ontario are concerned. I do not know that the matter is particularly dealt with in this bill, but in northern Ontario some white poachers have practically mined the game preserves that the Indians have had for so many centuries. Many people suffer in the police magistrates' courts of northern Ontario in this way. A father and son may be caught with twenty beaver pelts and both may be fined in connection with the same pelts. I do not know whether that matter is well defined in the federal law, but certainly it is not in the provincial law. Again you may have two or three people penalized for the same offence. The game warden may bring in the trapper, the buyer and the person in possession of the furs at the time they were seized. I should like the federal department to be thoroughly familiar with this very unfair situation, under which a magistrate may fine three or four persons for the same offence.

The CHAIRMAN: I understand that section 13 is to stand, together with sections 5, 8, 11 and 12.

Mr. ROEBUCK: When section 5 is being reconsidered I suggest that the law officers be asked to see whether this legislation is intra vires of this parliament. I do not know whether that matter has been discussed—

Mr. HANSON (York-Sunbury): Very lightly.

Mr. ROEBUCK: Obviously the administration of justice is in the hands of the provinces. This government has the appointment of judges, but justices of the peace are not

judges. I should not like to pass an opinion offhand, without looking into the matter, but I seriously doubt the constitutionality of this part of the measure.

Section stands.

Progress reported.

WAR APPROPRIATION

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

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of Bill No. 25, for granting to his majesty aid for national defence and security.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I have no intention of opposing the second reading of this bill. During the course of an earlier debate I made a suggestion to the government with respect to a gift of wheat to our kith and kin across the seas. The suggestion did not meet with very much response from the government, but there have been repercussions from the country with regard to it, and I desire to make a few observations as to an alternative proposal.

My original proposal was the gift of 100,000,000 bushels of wheat out of our great wealth of that commodity. One hundred million bushels of wheat based on an extraction of flour of approximately 80 per cent would result in 80,000,000 bushels of flour, which, at 60 pounds to the bushel, equals 2,400,000 tons of flour. This would leave approximately 20,000,000 bushels, of mill feeds, bran, shorts and middlings, or approximately 600,000 tons. I am suggesting to the government as an alternative that instead of giving wheat we give flour milled in this country. One hundred million bushels of wheat in the form of flour would represent the domestic requirements of the British isles for approximately six months. Would that be too generous a gesture for Canada?

There may be complications in connection with a donation of this kind with regard to the question of maintaining an equity in the matter of sterling exchange. At present prices 100,000,000 bushels of wheat delivered to the Canadian seaboard would represent a donation of approximately $100,000,000. I think that estimate is high, but it would approach that sum of money. The cost of transportation from the Canadian Atlantic seaboard to the United Kingdom would be paid perhaps by the British ministry of shipping. This 100,000,000 bushels of wheat would have to be ground into flour and by-products. It has been estimated that the capacity of United Kingdom flour mills has been reduced by over thirty per cent, due to actual damage from bombs, and a further decrease of twenty per cent, making the total efficiency of United Kingdom mills approximately fifty per cent of peace-time capacity, due to intermittent air raids wherein it is necessary to shut down the existing mills.

On the other hand Canadian flour mills, which at the present time are running to not more than sixty per cent capacity, could quite easily take up this grind, particularly since any donation of wheat to Great Britain would result in present flour shipments to Great Britain being displaced to the extent of the wheat donation.

One of the major problems in Canada since the war began has been to provide a supply of feeding stuffs for live stock and dairy interests. The situation is particularly acute in connection with the raising of hogs for bacon. It has been the subject of governmental action in the form of subsidizing the movement of feed grain from western Canada to points in Ontario and, it was suggested, to other points in the eastern provinces. Owing to the lack of ocean space available it does not seem desirable at the present time to ship approximately 600,000 tons of feeding stuffs in the form of wheat to Great Britain. Every effort is being made in that country to produce its own supply of cattle feeds. During the last few months there has been a tendency to decrease the quantity of live stock and its resultant dairy products and import manufactured or semi-processed commodities.

The whole scheme of making a donation to Great Britain, while it may be complicated, in my view has substantial merit. There is a tremendous surplus of Canadian grain in Canada at the present time and with anything like a normal crop in 1941 there certainly will not be sufficient space in the grain elevators and other storage capacities to take care of the crop. A large quantity will have to stay on the farms, and there is bound to be deterioration in quality. A donation of 100,000,000 bushels to Great Britain will not change the picture very much; it will only replace what Great Britain would normally purchase. Unfortunately there is no other large consuming market available for Canadian wheat, as wheat, at the present time.

There is a tremendous possibility behind the whole proposition in the introduction of Canadian spring wheat flour on the United Kingdom market. The domestic consumer in Great Britain is accustomed to blended wheat flour for household use. Canadian spring wheat flour has largely gone to the bakeshops and commercial consumers for the purposes of strengthening soft wheat flours, either grown

locally in Great Britain or imported from other countries. If Canadian flour made from spring wheat could be milled in Canada and shipped in the original containers direct to the householder in Great Britain a very useful purpose would be served in educating the householder to the use of spring wheat flour.

The unit of measure in the milling industry in Canada for flour is the barrel of 196 pounds or multiples thereof. In Great Britain the unit is a sack of 280 pounds or multiples thereof. The normal container shipped from Canada to the United Kingdom is the sack of 140 pounds, or what might be termed a half sack on the British basis of measure. It has been suggested to me that Canadian flour could be shipped in 14-pound cotton bags of which ten are baled in a jute bag. This bag would carry a suitable crest designed and controlled by the dominion government and conveyed by licence to the various mills in Canada which would participate in the movement. The standard would have to be controlled and arrangements would have to be made with the cereals import committee or some British government agency to take delivery at seaboard.

The wheat could be sold to the mills by the Canadian wheat board at a certain price and the flour purchased from the mills f.o.b. seaboard at a price which would make allowance for the conversion costs, plus containers, and deducting an allowance for feedstuffs produced from this wheat. This method would keep the Canadian wheat board balance in shape and the amount paid for the flour at seaboard would represent the actual donation which the Canadian government would make to the British isles.

It is very doubtful if the total amount of the contribution would reach 100,000,000 bushels of wheat. However, there is no apparent reason why many cargoes of Canadian wheat flour should not be moved to Great Britain in the manner I have described, with permanent beneficial results in the reputation which Canadian spring wheat flour would gain in the United Kingdom.

The average ship can carry approximately, as a full cargo, 7,500 tons of flour. It will be realized, therefore, that 100,000,000 bushels of wheat in the form of flour would require in excess of 300 full cargoes, and shipment might be spread over a long period of time. On the other hand, a cargo of 7,500 tons bagged in fourteen pound containers would mean that there would be approximately 1,125,000 bags to be distributed to the consumer; and, as already stated, if this fourteen pound bag were properly labelled as being Canada's contribution to the consumers of Great Britain, the effect can hardly be estimated. It would not take more than forty cargoes to give full coverage to the entire United Kingdom.

There are many ways in which shipments of this kind could be financed. It could be done by a treasury vote for a full cargo, if the government were disposed, under the War Measures Act or under the war appropriation bill. It might be more desirable to have the flour moving forward in parcel lots along with shipments of munitions and supplies. It might be possible that it could be handled through popular subscription. But this is doubtful with the pressure now on the taxpayer to pay taxes, subscribe for war loans and contribute to different war organizations.

In any event it seems most desirable that, should any movement of this kind be organized, Canada should now ship flour rather than wheat, retain the mill feeds in Canada for domestic consumption, ensure that Canadian spring wheat flour is introduced direct to the householder in Great Britain, arrange for the purchase of containers in Canada much cheaper than now available in Great Britain, retain control of the standard of quality of the flour in Canada, and see that the British consumer realizes that, when a bag of this flour is delivered to him, it is part of Canada's contribution.

There will be other problems in connection with such a distribution in Great Britain. No doubt the flour would have to be shipped to the importers in Great Britain, but the control of the distribution in the United Kingdom would have to be supervised by some representative of the Canadian government to ensure that it would go direct to the consumer.

I offer this in absolute good faith as an alternative, and I hope that the government will give it consideration. I know that the Prime Minister (Mr. Mackenzie King) made a very important statement the other day with respect to Canada's war contribution, and, measured in terms of dollars and cents, it was immense; I have never attempted to analyse the figures. But it will be recollected that in the last war we did make contributions: provincial governments made donations to the mother country in the form of foodstuffs; and, if I can get the sympathetic ear of the Minister of Finance (Mr. Ilsley) and the gentlemen who are leading the government on this occasion, I would urge upon them the advisability of giving consideration to a gift of flour to the beleaguered people of Great Britain.

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

Section 1 agreed to.

On section 2—Appropriation.

Mr. RALSTON: Perhaps this would be the proper place for me to say a word in answer to what my hon. friend the member for Yale (Mr. Stirling) referred to yesterday afternoon with respect to the relations between the Canadian and British forces and the Canadian and British commands in the United Kingdom.

Let me say that, while stating perhaps the cold legal position, I want it clearly understood that it is the legal position, and that there is no necessity nor do I anticipate that there will be any necessity of our having to invoke it. There has not been the slightest difference of opinion with respect to matters of operations in which the Canadian corps or Canadian forces overseas are or may be engaged. The relationship between the Canadian and British forces and the Canadian staffs and the British staffs could not be more cordial than they have been, and the confidence which exists between them could not, I think, be greater.

Coming to the legal position, as was intimated yesterday afternoon, the Canadian troops are in the United Kingdom under the terms of what is known as the Visiting Forces (British Commonwealth) Act, 1933. That act so far as Canada is concerned is contained in chapter 21 of the statutes of 1933; and the same act, I understand, practically word for word, is on the statute book of the United Kingdom, although the sections are numbered differently.

As hon. members know, the intention of the act is to provide for the relationships existing betwen the so-called home forces, which in the case we are referring to are the United Kingdom forces, and visiting forces, which are the Canadian forces. Two different situations are visualized under the visiting forces act. That is to say, there is one status for the visiting forces, in which they are held to be, as the statute states, serving together with the home forces—that is, the Canadian forces are serving together with the British forces. There is another status in which the Canadian forces are said to be acting in combination with the United Kingdom forces.

Section 6, subsection 4 (a) of that statute provides for the terms of the status when they are serving together. Section 6, subsection 4 (b) provides for the status when they are serving in combination. To make it very brief, the serving together status is more properly adaptable and applicable to the situation where visiting troops are training in the United Kingdom; the status of acting in combination is more adaptable and applicable to the situation where a visiting force may be called upon to engage in operations along with the United Kingdom forces. The difference in status is this, so far as command is concerned, that when troops are serving together, that is to say more or less on a training basis, they are under separate commands—that is, the home forces are under one command, the Canadian forces are under another command, and there is no common command over them; each is, if I may put it that way, autonomous in connection with its own particular organization and command. When troops are acting in combination, then, as the statute provides, his majesty may provide one officer to act in command of the combined forces.

That is the background of the relationship which exists in the United Kingdom with respect to the Canadian forces. We now come to what has been done in that respect.

The statute provides that the government by order in council may declare that the Canadian forces—I use that term interchangeably with "visiting forces"—shall be deemed to be serving together with the home forces, or the governor in council may declare that the visiting forces shall be acting in combination with the home forces. We have done both. We have passed an order in council, dated April 3, 1940—as a matter of fact it bears the significant and rather intriguing number, 1066—under the War Measures Act. It will be found in volume 2, page 47, of the volume of proclamations and orders in council passed under the War Measures Act. This order in council provides three things: first, that Canadian forces, military and air, in the United Kingdom or the continent of Europe or proceeding from one to the other, serve together with the United Kingdom forces; second, that Canadian forces serving on the continent act in combination upon their embarkation in the United Kingdom for the purpose of proceeding to the continent of Europe.

Third—and this is the important point before us now because we have no forces on the continent of Europe—the order in council provides that those parts of the Canadian forces, military and air, serving in the United Kingdom—those are our forces which are there at the present time—as may from time to time be detailed for that purpose by the appropriate service authorities as may from time to time be designated by the Minister of National Defence shall act in combination with the United Kingdom forces.

The forces in the United Kingdom are serving together. The Canadian forces are, under the general provision, serving together with the United Kingdom forces and are therefore under separate command.

That third provision of the order in council provides, in effect, that an officer designated by the Minister of National Defence may detail for the purpose of serving in the United Kingdom any portion of those forces to act in combination with the British forces in which case, as I stated a minute ago, by acting in combination they come under a combined command.

Following that through, the Minister of National Defence designated General McNaughton in respect of the Canadian corps; the senior combatant officer at Canadian military headquarters in respect of the troops under his command, and the senior combatant officer in command of any remaining troops in the United Kingdom in respect of forces under his command, to detail the forces or parts of the forces as they might think fit to act in combination with the British forces.

That gave authority to General McNaughton, if he so desired, to detail the Canadian corps, or, as it was then, the first Canadian division, to act in combination with the British forces. He did that. He has detailed the troops of the Canadian corps to act in combination with the troops of the United Kingdom. That is the situation at the present time.

Mr. HANSON (York-Sunbury): That is restricted to serving in Britain?

Mr. RALSTON: That detail is restricted to serving in the United Kingdom.

The senior combatant officer at Canadian military headquarters has not, I understand, detailed the troops under his command to act in combination, because the troops under his command are, generally speaking troops in training, troops at base units, and so forth. There are no other troops in Great Britain except those in the Canadian corps under General McNaughton and those under Canadian military headquarters. That brings the Canadian corps under the command of Sir Allan Brooke, commander in chief of the home forces, by reason of the fact that the Canadian corps has been detailed by General McNaughton to act in combination with the forces of the United Kingdom.

Parallel with that goes this, that under General McNaughton's instructions when he went there, he is directly responsible to the Minister of National Defence and, through the minister, to the Canadian government for the control of the forces under his command. I mention that so that I may indicate what the situation would be with regard to the troops when under Sir Allan Brooke.

[Mr. Ralston.]

The situation, if one were to visualize operations in the United Kingdom, is that Sir Allan Brooke would—I have not any doubt of this—consult with General McNaughton, who is the commander of the Canadian corps and whose troops are acting in combination with the United Kingdom forces under Sir Allan Brooke, in connection with any operation in which the Canadian corps would be committed. I can say that that is done in practice. I can say that it is done on grounds of policy. I can say that it is done also because of the obvious military desirability of a commanding officer in chief consulting with the senior commanding officers of large bodies of troops under his command in connection with any tactical plans which are being made. That is the situation so far as the United Kingdom is concerned.

With regard to the troops going out of England, may I read a paragraph which I have under my hand and which sets out the situation more briefly and succinctly than perhaps I could state it.

As respects any question concerning the employment of the Canadian forces on the continent of Europe or elsewhere, the position is clear, namely, that the decision would rest entirely with the Canadian government. It was in accordance with this principle that the decision was reached last spring to employ Canadian troops in France. Since the change in the situation resulting from the German invasion of France and the low countries, no suggestion of any kind has been made to Canadian military authorities or to the Canadian government that its forces should serve beyond the United Kingdom, except in one instance when the British government requested and the Canadian government approved the dispatch of small detachments of Canadian troops to carry out special work at Gibraltar, of which the house has general information.

Mr. STIRLING: Does Norway come before that?

Mr. RALSTON: Norway came much before that. I said "since the change in the situation." Norway was before the change in the situation resulting from the invasion of France.

Mr. STIRLING: If I might interrupt, was that decision of the Canadian government arrived at before the question of Canadian troops serving in France came up?

Mr. RALSTON: The question of Canadian troops in France was provided for in the order in council of April.

Mr. STIRLING: Yes, and the minister said that a decision was arrived at by the Canadian government with regard to Canadian troops being dispatched to France.

Mr. RALSTON: That is correct.

Mr. STIRLING: And the Norway incident came before that?

Mr. RALSTON: I am trying to remember.

Mr. STIRLING: And presumably the Canadian government in that case also arrived at that decision.

Mr. RALSTON: Yes, but I am trying to remember at the moment the element of time. There is no doubt whatever that the Canadian government was consulted about the Norway expedition, and it gave its express approval. I wish to say, just to clinch that, that the decision as to the employment of troops outside the United Kingdom is a matter for the Canadian government.

I do not know that there is anything I can add, except that I might put on record a couple of paragraphs which will sum up what I have said.

The Canadian forces in the United Kingdom serve together but not in combination unless there has been a special detailing by the appropriate Canadian service authority.

Mr. STIRLING: Which there has been in this case.

Mr. RALSTON: The appropriate Canadian service authority has detailed the Canadian corps to serve in combination with the troops of the United Kingdom.

Second, the appropriate Canadian service authority can detail for service within the United Kingdom, but not for service outside, Canadian forces to act in combination. As I have said, General McNaughton has done that in respect of the corps, and General Montague, senior combatant officer at Canadian military headquarters, would have power to detail troops under his command.

Third, the appropriate Canadian service authority cannot authorize the embarkation of Canadian forces from the United Kingdom without the authority of the Minister of National Defence.

Fourth—and this comes by reason of the third clause in the order in council, P.C. 1066—embarkation for the purpose of proceeding to the continent of Europe automatically brings about serving in combination because the order in council contains an express provision. In that case the question as to whether the Canadian troops are serving in combination is not left to the discretion of the general officer commanding, Canadian corps, but assuming that embarkation has taken place by reason of the approval and authorization of the Canadian government, then automatically upon that embarkation Canadian troops serve in combination with the troops of the United Kingdom on the continent.

Mr. GREEN: What is the situation with regard to sending Canadian troops to Northern Ireland or Iceland?

Mr. RALSTON: The approval of the Canadian government is required.

Mr. STIRLING: I thank the minister for that statement, which I think will clear the minds of a great many people with regard to the coordination of military forces. He said at the beginning of his statement that the order in council applied to army and air. Is the navy under a separate arrangement altogether, or did that order in council deliberately exclude the navy from the arrangement?

Mr. RALSTON: As a matter of fact, I got a chance to look at it only just before I entered the chamber, and I cannot tell my hon. friend exactly what the situation is with regard to it.

Mr. STIRLING: Perhaps the Minister of National Defence for Naval Services can elucidate the point.

Mr. MACDONALD (Kingston City): Will the hon. member give me a moment to look at the act?

Mr. RALSTON: In the meantime there are two or three questions asked me by different members, and I might as well put the answers on the record now. The hon. member for Vancouver South asked whether the age regulation had been changed. The information is that routine order No. 138, dated November 18, 1939, provides that men who have not attained the age of nineteen will not be enlisted into any unit of the mobile force, and these instructions have never been altered. As a matter of fact, the adjutant-general is finding out from the district what the newspaper article referred to.

Mr. GREEN: I quoted last night from one newspaper article, and there is a longer one in the Vancouver *Sun* of March 25, headed "Army Calling for B.C. Youths of 18; Seeking 1200 men", and that dispatch states, in part:

> Recruiting officers here to-day were ordered to reduce the lower age limit of acceptance for army recruits from 19 to 18 as an urgent call for 1,200 men came from headquarters of military district No. 11. No recruits have previously been accepted under the age of 19.

Other extracts are:

> Youths of less than 19 will be enlisted at once, but will not be sent overseas until they are 19.

That would make it look as if some orders had been sent out from Ottawa.

However, every physically fit man between 18 and 45 that offers himself will be accepted at once, all recruiting offices have been instructed.

The 18-year-olds will be classified according to the date on which they will attain the age of 19. Those who will be 19 in the near future will be assigned to units which may go overseas shortly. Younger 18-year-olds will be placed with units which are at present being retained in Canada.

Another interesting paragraph is:

All recruits under the age of 19 are required to present their birth certificates when applying for enlistment.

That is a definite stand taken by the officers in military district No. 11.

Mr. RALSTON: My hon. friend heard me say that the adjutant-general is finding out from the district what the newspaper article refers to. I have told him that there is a routine order and that my information is that it has never been altered. It cannot do any good to emphasize the fact that somebody in the district is publishing these statements. I have given the answer I get from headquarters; we are trying to find out what the newspaper article refers to, and I will give the information as soon as I get it.

Mr. GREEN: Is there any difficulty about getting in the numbers required? It would look as if there were trouble raising the number.

Mr. RALSTON: I said to my hon. friend the other day that they were somewhat short of the previous quota, and the present quota has, therefore, an additional number in it. It has to make up the shortage on the previous quota and the present quota as well.

Mr. HANSON (York-Sunbury): May I ask the minister a question about air men. I understood him to say that the order in council was the same with respect to air men as to men in the army—that is, with reference to transfers from one branch to the other.

Mr. RALSTON: May I give what information I have.

Mr. HANSON (York-Sunbury): Perhaps I misunderstood what had passed.

Mr. RALSTON: I think my hon. friend was wrong in one respect. I will read a long statement which I have before me with regard to the question:

Prior to the outbreak of the war, candidates for appointment to commission, in the general list, permanent active air force were required to have a university degree. Shortly after the declaration of the war, this requirement was reduced to senior matriculation, or equivalent, which scheme was in effect until the commencement of the joint air training plan. Candidates selected under this scheme were appointed to commissions as pilot officers in the special reserve, subject, of course, to their qualifying as pilots.

It should be noted that prior to the outbreak of war short service appointments for 4 years service in the general list of the auxiliary active air force could be given to candidates with junior matriculation and senior matriculation in mathematics, provided that they were qualified pilots.

When the joint air training plan began, candidates for flying training no longer were commissioned, but were enlisted as A.C. 2's. The educational requirements were also reduced to junior matriculation, or the equivalent.

In August, 1940, educational requirements for wireless operators (air gunners) were further reduced to two years of high school, but no change was made respecting pilots or observers, the qualifications for which still being junior matriculation.

Therefore the change to which my hon. friend refers has no reference to pilots and observers, but applies only to wireless operators—air gunners—and therefore applies to a limited number. I have here the following note:

Your statement regarding mechanics wishing to be remustered to air crew is exactly correct and might be emphasized. Skilled mechanics to keep aircraft in condition are as necessary as pilots to fly them are.

I take it from that note that the field having trained men as ground men, they are too valuable now to be allowed to go as air crew, with that training having to be begun all over again.

Mr. HANSON (York-Sunbury): The effect of that is that they cannot expect to get in as air crew, if that is the technical term. They have to stay where they are.

Mr. RALSTON: Yes.

Mr. HANSON (York-Sunbury): Perhaps there should be a little more flexibility in a given case where a man is exceedingly promising, having enlisted under the circumstances which I endeavoured to detail. If he is forever barred from becoming an observer, that is too inflexible.

Mr. RALSTON: I do not know enough about air administration to make any reply to that except this, that I doubt very much whether they would refuse to consider the case of a man who was exceedingly promising, to use my hon. friend's own term, and would make an excellent, or perhaps an unusually good pilot. I know, however, that in the army each of those cases of transfer is considered on its merits; there is no absolutely hard and fast rule that a man cannot transfer; but we have to look to the good of

the service and decide whether or not in the new job, having regard to the additional training which has to be given, it would still be better for the service for him to transfer than remain in the job in which he has been trained.

Mr. HANSON (York-Sunbury): Generally speaking, I think the principle the minister has laid down is a good one. Where a large sum of money has been spent in training an individual in one branch of the service, the state has a right to expect a return from that investment. I would hope, however, the rule is not so inflexible that it would definitely bar a young man who is exceedingly promising from ever expecting to be a pilot or an observer. That would be too rigid.

Mr. HANSELL: I wish to bring to the attention of the Minister of National Defence a certain matter and ask if he can throw any light upon it. It relates to the recruiting that went on to a considerable extent throughout Canada for the reserve militia, or what is sometimes known as the non-permanent active militia. These young men who enlisted in the reserve army did so, I think, in all sincerity. Some of them were quite young; some were mere high school students. I think I can say that they enlisted under certain impressions. A good many enlisted with the thought that they were enlisting in a non-permanent force to be used for home defence. Some of them were going to school; some of them had nominal jobs. Their training for the most part took place in the evenings. I refer now to some of the smaller centres where officers were sent down two or three times a week. The young men enjoyed their training and were quite sincere about it.

It appears that a few weeks ago, perhaps a couple of months ago, a circular letter was sent out to these men, I do not know how extensively, whether throughout the entire country or in one section of it, reminding them of their responsibilities and their duties, and the tenor of the letter was to the effect that they might be called up very soon for active militia work. I think one phrase in the letter was that "very short notice may be given," indicating that they should hold themselves in readiness.

Mr. RALSTON: These were men who had enlisted and were members of the reserve?

Mr. HANSELL: Yes. The point I wish to make particularly is this, that in the circular letter reference was made to the Militia Act. I believe two or three sections were quoted? Section 64, the one to which I wish to refer especially, reads:

> The governor in council may place the militia, or any part thereof, on active service anywhere in Canada, and also beyond Canada, for the defence thereof, at any time when it appears advisable so to do by reason of emergency.

I have received one or two letters from my constituents, parents of some of these young men, who are amazed that their boys might be sent outside Canada.

Mr. RALSTON: They may not be, I can tell my hon. friend, without enlisting for overseas service.

Mr. HANSELL: Are we to understand that before they are sent outside Canada they reenlist?

Mr. RALSTON: Right.

Mr. HANSELL: I am glad to have the minister say that, because it will put at rest the minds of some of these people. One complaint, shall I say, that I had was from a mother whose boy was not anxious to get out of the army but wished to stay in; he thought it was a great life and so on, but his mother felt that he should complete his education before he went away. There are some very young lads in this force, some who have not yet completed their education. What would be the procedure required should some of these young chaps want to complete their high school before being called?

Mr. RALSTON: Before what?

Mr. HANSELL: Before answering this circular letter. The letter indicates that they may be called up quickly, and some of the young men are under the impression that they were fooled just a little. They were under the impression that they were joining to serve within Canada should an emergency arise.

Mr. RALSTON: They were.

Mr. HANSELL: Now they get this letter quoting this section which leads them to fancy that they may be taken outside Canada. There is nothing in the letter indicating that they will have to reenlist in some other force. That is what is troubling them a little, although my question was not just along that line. The minister has satisfied the committee that they will have to reenlist. Some of them are or have been taking this training in the evening; they are attending school in the day time. This letter is worrying them. What procedure should these young men take if they are called and if they desire to stay at home and complete their studies even though they remain in the militia?

Mr. RALSTON: Is my hon. friend asking, if their battalion or unit were called out to serve for the defence of Canada within Canada or the territorial waters thereof, what procedure they should take to avoid that service?

Mr. HANSELL: Yes. I have in mind particularly these young men who are still in high school.

Mr. RALSTON: I know of no procedure. The men have enlisted in the reserve militia. The country is not investing money in armouries and training and all that, and simply saying to a man, when he wants to go to school or has some other personal reason, that he is discharged. Surely that cannot be in time of war, and surely my hon. friend is not advocating that. They enlisted in the reserve militia. The Militia Act provides that they may be called out for the defence of Canada. It has been expressly declared that as far as sending troops beyond Canada is concerned, that will not be done unless men are given an opportunity to enlist for that purpose, but as far as the defence of Canada is concerned, the only ground upon which they could apply for discharge would be some very serious compassionate ground. There are instances of men being discharged even from overseas service, but such cases are certainly very few, and are very carefully scrutinized. If men could for personal reasons ask to be relieved of the obligations they have taken, we would not have an army, even a reserve army.

I am sorry if anyone has been misled, and I am particularly interested in my hon. friend's calling attention to this letter. Naturally I do not want to see any letters sent out which are in the slightest degree misleading. Was it sent by the commanding officer of a unit or a district, or by whom?

Mr. HANSELL: It was sent by the commanding officer. I should be glad to let the minister have a copy of the letter.

Mr. RALSTON: I should be very glad to have it.

Mr. HANSELL: I think I can get it.

Mr. RALSTON: I should be sorry to see it, but glad to have it.

Mr. HANSELL: There is one other question. Does the recruiting officer take notice of the age of an applicant? Is any minimum age fixed?

Mr. RALSTON: I am afraid I cannot give the definite age limit, but I can assure my hon. friend that, under the Militia Act, the age must be stated. I have some recollection that in the last war a good many statements made as to age were open to question, both ways as a matter of fact.

[Mr. Ralston.]

Mr. HANSELL: I realize that. I should like to say, not in serious criticism, that recruiting officers might pay just a little more attention to instructing a recruit as to his responsibility when he once joins. The minister knows how it is in a small town. All the young chaps are joining; it is great to be doing training at night, and they get a certain amount of physical exercise. They enjoy it, but they do not all recognize the responsibilities that are placed upon them when they sign the attestation form. I think recruiting officers might take upon themselves a little more responsibility to instruct these young chaps as to what they are really doing when they sign up. I have no desire to discourage recruiting in any way, but I do want the mothers and fathers to be perfectly satisfied that the young men know what they are doing, in order that complications may not arise later.

Mr. HANSON (York-Sunbury): I should like to ask the minister a question about a position which is new to me, to which my attention has been directed. I am rising only in order to obtain information. With regard to the medical examination, is any provision made with respect to social diseases and tests in connection therewith? I have been informed that there are no tests made and no precautions taken. If that be the situation—I do not assert it at all—that matter should be looked into and rectified.

Mr. RALSTON: I should think that what my hon. friend says would be fundamental.

Mr. HANSON (York-Sunbury): Yes, I think it is fundamental. I was told by a gentleman who is connected with a voluntary association having to do with hygiene and the like, that the Wassermann test is not made in connection with any of the men. I do not know much about this topic, but it seems to me that some precaution ought to be taken.

Mr. RALSTON: I do not think the Wassermann test is made. I should be very much surprised to learn that it was given generally, but there are other examinations made.

Mr. HANSON (York-Sunbury): I am told that this test is made in the United States army, and I know it is made in the British navy. I was at Hastings in Barbadoes, and there I had the thrill of my life one morning when I looked out at the bathing beach and saw half the north Atlantic squadron in the harbour, headed by the *Nelson*. I made a tour of the *Nelson*, from which a large number of sailors were ashore that day. The

gentleman who conducted us over the battleship was a surgeon. This question arose, and he told me that every man was tested before and after going on shore leave, which I thought was a wise precaution, especially in a seaport town.

Mr. RALSTON: My hon. friend is talking about men on service?

Mr. HANSON (York-Sunbury): Yes.

Mr. RALSTON: I thought he was talking about the medical examination prior to enlistment.

Mr. HANSON (York-Sunbury): It is analogous to that. Is any precaution taken to see that a prospective recruit or trainee is not an infected person? It seems to me that this is an elementary precaution that ought to be, and if it is not done, I direct attention to it.

Mr. RALSTON: I should have thought it would be as elementary as an examination of the feet.

Mr. HANSON (York-Sunbury): So should I, but I am told it is not done.

Mr. ROSS (Moose Jaw): On at least two occasions in connection with this bill the leader of the opposition has suggested a gift to Great Britain of a hundred million bushels of wheat, or of that quantity of wheat milled into flour. I have nothing to say against that suggestion.

Mr. HANSON (York-Sunbury): Will the hon. member not support it?

Mr. ROSS (Moose Jaw): I would support it, but first of all I want one point made clear. The wheat we have in Canada to-day is being held by the Department of Trade and Commerce in trust for the wheat growers.

Mr. HANSON (York-Sunbury): That may be a theory.

Mr. ROSS (Moose Jaw): There is a point that comes in here. It is all right to give away something that belongs to somebody else; but if we are to make such a gift, it should come from the Dominion of Canada as a whole, and there should be established and paid for that wheat by the dominion a price which would ensure that the western farmer would not give perhaps ten, fifteen or twenty cents a bushel more than the other people of this dominion would give. There are still in existence participation certificates in connection with that wheat, which at some future time may be sold at such a price that the farmers may participate further in the amount realized. Therefore, if my hon. friend would be willing to say "Well, we will charge that wheat up to the people of Canada at a dollar a bushel and give a hundred million bushels to Great Britain," I would be in entire agreement with what he suggests.

Mr. HANSON (York-Sunbury): I am delighted to hear this, the first response from the government benches to the suggestion I have made. As to the modus operandi and the price, I have not mentioned anything except by way of illustration. Theoretically what the hon. member has said about participation certificates is correct, but practically the position is that the government owns the wheat and that the initial payment is the final payment. The hon. member knows that as well as I do. Perhaps he will come to my support in the suggestion that the price named shall be comparable with the cost of production; perhaps he will help me in that. That would be of some benefit to his friends and, incidentally, to himself; at all events he would not be doing himself any harm. I would certainly give sympathetic consideration to the theory that the gift should be from the people of Canada and not at the expense of one particular class in Canada. I am certainly in agreement with that principle and theory.

Mr. ROSS (Souris): Some time ago we had some discussion with regard to the number of men already discharged from the army, which number is, I think, almost twenty thousand. Later, there was some discussion as to the method of medical inspection, and so on. I believe many men have been brought back from the old country suffering from such ailments as gastric ulcers, which, I understand medical men contend is much more prevalent now than during the last war. Following that up, I wonder whether it would be too much to ask that X-rays be taken of each applicant before he joins the army. There are many defects which cannot be detected in the ordinary medical examination.

Mr. RALSTON: I do not think they are X-rayed for gastric ulcers; they are X-rayed for chest conditions.

Mr. ROSS (Souris): Would the condition not be found with the one X-ray?

Mr. RALSTON: I should think it would depend upon the size of the photograph. I do not think it would be found.

Mr. MACDONALD (Kingston City): There has been a question respecting naval service outside Canadian waters. That matter seems to be governed by the Naval Service Act, chapter 139 of the revised statutes of Canada, and the Visiting Forces Act.

An order in council was passed on September 14, 1939, instructing certain ships of the Royal Canadian Navy to act in cooperation

with the Royal Navy. I believe it is the practice for the senior officer of the Canadian ships to place himself under the command of the senior British officer—the commander in chief of the western approaches, the commander in chief of the southern approaches, or whoever he may be. That seniority is regulated in the actual flotillas according to date of appointment. If a Canadian happens to be the senior officer in a group of six or seven ships, part of which are British and part Canadian, that Canadian officer would assume command of the whole lot, or vice versa.

Mr. HANSON (York-Sunbury): It is entirely a matter of seniority.

Mr. MACDONALD (Kingston City): Yes.

Mr. RALSTON: The hon. member for Souris referred to tests for gastric ulcers. My colleague the Minister of Pensions and National Health tells me—and I am sure medical members will corroborate this—that the X-ray is not a certain test for gastric ulcers. It may be in the incipient stage.

Mr. HOWDEN: If it shows the ulcer, all right; but it does not show it very often.

Mr. RALSTON: I have heard of barium meals; I believe I have been given them once or twice.

Mr. GREEN: The Minister of National Defence did not explain clearly the policy of the government respecting the recruiting of men under the age of nineteen years for the active army. If he did give an explanation, I did not thoroughly understand it. What is the government's policy in that regard? Are young men under the age of nineteen to be recruited for the active army?

Mr. RALSTON: I have told my hon. friend that the rule places the age at nineteen for mobile units. I had word from the adjutant-general to-day to the effect that no change had been made in that rule. All I can say is that I know of no change. Since my hon. friend spoke, I have sent a note to my secretary asking that the adjutant-general be telephoned at once with regard to the other newspaper article to which my hon. friend referred. I want to have the fullest possible information, and to know what is going on with regard to recruiting.

So far as I know, however, the policy is exactly as set out in the routine order to which I refer. I am referring, of course, to recruiting for mobile forces. Generally speaking, the mobile force is the active service force of Canada. It may be that this is recruiting for coastal defence, or something of that kind. I can tell my hon. friend only that I am not aware of any policy other than the one set out in the routine order. The adjutant-general is making an inquiry with regard to the situation in district No. 11.

Mr. GREEN: Over the week-end an announcement was made that no goods could be exported from Canada to any country outside the western hemisphere, other than to parts of the British empire, or to territories under British occupation or control, without a permit first having been obtained. Would some member of the ministry explain why that provision was made?

Mr. ILSLEY: Is the hon. member speaking about a permit for export?

Mr. HANSON (York-Sunbury): Beyond certain limitations.

Mr. ILSLEY: Is the hon. member speaking about exports under section 290 of the Customs Act?

Mr. GREEN: It has been announced that on and after April 1, 1941, no goods can be exported from Canada to any country outside the western hemisphere, other than to parts of the British empire or to territories under British occupation or control, without a permit first having been obtained. Such permit is issued by or on behalf of the Minister of National Revenue. What was the purpose of enacting such provision?

Mr. ILSLEY: Perhaps I should have been aware of it, but the fact is that I did not know an order in council of that kind had been passed. Although I do not like to take the time of the committee, I could give a general review of the history respecting export permits. I believe they were first given after section 290 of the Customs Act was amended in 1937, and they were designed to give the government control over the export of munitions, or of raw materials which might enter into the manufacture of munitions. If I remember correctly, under that section exports to Spain were placed under permit.

Then there was a gradual extension of the list of articles subject to permit, and a gradual extension of the countries, exports to which would be subject to permit. That was particularly so after this war broke out. Since I left the Department of National Revenue, which has control over the granting of permits, and which has, in fact, an export permits branch, I have lost track of the development of the export permits system. I believe it has been highly developed, and that some orders in council have been passed, not under section 290 of the Customs Act but under the

War Measures Act. I believe, too, that permits have been required for commodities other than munitions and the raw materials therefor.

Mr. GREEN: This covers any goods.

Mr. ILSLEY: I believe it has been extended to foods and, if there is an order in council such as that to which the hon. member has referred, apparently the provision is now extended to include all articles and all countries other than those within the British empire.

The object of the order in council would be to give the government control of shipments of goods to countries from which they might reach the hands of the enemy. I should imagine that would be the main object of an order in council of that kind, because it is the main object of the export permits system. That system is a factor in economic warfare, and is used not only in this country but in the United Kingdom. It has been extremely useful from time to time. It would work in this way: An order may be received from some neutral country in Europe—I shall not name any particular country—by an importer in that country who is known to be friendly to Germany. Export to that firm would be denied; no permit would be granted for that particular transaction. That is one of the reasons for the permit system.

Then, they are denied in other instances. There is denial when we need the goods ourselves. Even these two examples do not exhaust the list. There are numerous occasions when it is in the public interest not to permit the export of goods to take place. The general principle of restriction is, however, the one I have enunciated.

Mr. GREEN: For example, this would mean that goods could not be exported to China or Greece—

Mr. HANSON (York-Sunbury): Or Japan.

Mr. ILSLEY: Without a permit.

Mr. GREEN: —without a permit being obtained from the government?

Mr. ILSLEY: That is correct, basing it entirely upon my hon. friend's assurance that there was such an order. I must say that I did not know there was.

Mr. GREEN: I am reading from a memorandum of the Department of National Revenue.

Mr. ILSLEY: Well, there must have been.

Mr. GREEN: Can the minister say what action the government has taken to prohibit the export of hemlock logs to Japan? These logs have been going out from the Pacific coast from time to time, and can be converted into cellulose, which again can be used for explosives, and there has been considerable question about the wisdom of allowing that export to continue. I realize that actually the matter does not come under the minister's department. Perhaps some member of the ministry can tell us whether or not the export of these logs has now been prohibited.

Mr. ILSLEY: I am afraid that I myself cannot give the hon. member any information, and I am wondering whether it should not be sought under some other measure than this section 2, which relates to the voting of money for the defraying of expenses. I do not see any connection between the subject matter of this interchange, and this section.

Mr. HANSON (York-Sunbury): It is very remote.

Mr. RALSTON: I should like to put on record a couple of other answers, because the matter will come up some time and I may as well do it now. The hon. member for Cape Breton South asked me with regard to the supply of slickers for the troops. The master-general of the ordnance reports that all troops are issued with a ground-sheet which is designed to be worn as a waterproof cape, with or without greatcoat, or used as a ground-sheet.

Also units performing certain duties where sentries are posted continually are supplied with a percentage of waterproof jackets and trousers in order to meet climatic conditions.

Capes, anti-gas, which are the capes I mentioned last night, are issued to each man for use as a protection against gas. They are not to be used as a waterproof garment.

Mr. GILLIS: The letter I received came from the Cape Breton Highlanders, who at the present time are stationed at an east coast port.

Before this clause passes, there are a few remarks I wish to make. First, the Minister of National Defence is to be complimented upon the way in which he has handled his department. I notice that the minister takes a note of practically every question, and anything, having to do with his department, which appears to be bothering the mind of any hon. member, he answers to the satisfaction of—at least—the government. At any rate, he brings back an answer, and a member knows exactly where he stands with respect to his question.

My object in rising at this time—and I am sorry that the Minister of Labour and the Minister of Munitions and Supply are not at present in their seats—is this. During the last debate on the main appropriation bill I brought to the attention of the committee

two questions which had to do with both the Department of Labour and the Department of Munitions and Supply, and which, in my opinion, are important to the people for whom I attempt to speak.

In the first place, I questioned the minister as to the intentions of the government or the people who claim at the present time ownership of a plate mill located in Sydney, Nova Scotia. To operate that mill would serve two purposes. First, it would relieve unemployment. I know that within the last week the steel plant have on file 1,600 applications for employment. Also it would serve the purpose of augmenting our war effort. I pointed out at that time to the committee that if the government had no intention of doing something about using that mill, and if the people who claim it do not intend to use it, there are others who are seeking to purchase the plant. I received another letter from them. I have not, however, heard anything from the Department of Munitions and Supply as to what they have done about this matter, or whether they have done anything.

It seems to me that it is a waste of time for any hon. member to rise in his place and occupy time in bringing to the attention of the government matters which require to be attended to, if his inquiries are to be relegated to the archives and nothing done about them. The least that any hon. member who brings something to the attention of the government is entitled to is an answer, whether any action is contemplated or not; and the reason why I bring this matter again to the attention of the committee is to inform them that upon this matter, which is of considerable importance, I have not received any answer. The people who were negotiating for the purchase of that plant at Sydney have written me again. The Anglo-French Development Corporation of Montreal, who, on behalf of some clients from overseas, are probing the possibility of that plant being put into production, have written to H. J. Kelly, general manager of Dominion Iron and Steel, of Sydney, on March 13, and they inform me that up to date they have not received the courtesy of a reply from the head of that corporation.

That plant was created during the last war in exactly the same way as industries are being subsidized and financed in this war. The government of this country put four and a half million dollars into that plant. It never went into production; and I understand that, when the war was over, the federal government was sued for breach of contract and considerably more money was extracted from the Canadian taxpayer. If that plant has been damaged to a point where it will cost a substantial sum of money to put it back into production, it is the responsibility of the federal government to find out exactly what the situation is. In my opinion, the people who claim the plant do not own it. If others seek to purchase it, and it will serve the purpose of augmenting our war effort as well as reducing unemployment in that section, it is the responsibility of the Minister of Munitions and Supply at least to tell the committee what he has done about a matter of that importance. The people in our locality are interested in the question; I know that this Montreal corporation is also interested in it; and if H. J. Kelly is not concerned about answering correspondence from that corporation, it seems to me that some one should do something about it.

Another matter, which I brought to the attention of the Minister of Labour, and with regard to which I have received no answer, is the situation which exists at Hamilton, Ontario, where some forty ex-service men who were employed as shell inspectors by the Canada Car company, which is engaged in war production at the present time, were replaced by girls at a lower rate of wages and, as far as my information goes, are still unemployed.

Mr. HANSON (York-Sunbury): Is that the Canada Car or the National?

Mr. GILLIS: The Canada Steel Car.

Mr. MARTIN: That was in reference to a British order, was it not?

Mr. GILLIS: That is right. The operation is under the British technical mission. I asked the Minister of Labour if the laws of Canada, as embodied in certain orders in council, and explained to this house, apply to employees engaged in that plant. He said that they did, and that there may be responsibility for taking care of Canadian citizens who are employed in this British production organization. This was some time ago. I have not received any reply from the minister as to what has been done. Is it the intention of the government or of the Department of Labour to ensure that some employment is obtained for the men who are on the street? Is it the policy of the government to create more unemployment as far as the males of this country are concerned, with particular reference to the men who went through the last war, by replacing them with girls, because their labour can be got cheaper? If that is the policy, then we should know it.

Had either of the ministers written me a note, I would know at least where I stand. When I bring up a matter here in this chamber, it is not for fun. I like to have an answer. I ask for replies to both these questions: What is the intention of the Minister of Labour with respect to this situation at Hamilton? What is the intention of the Minister of Munitions and Supply with respect to that plate mill at Sydney, Nova Scotia? It can be used. People are trying to purchase it. The government have an equity in it. The taxpayers of Canada have practically paid for it. The people who claim it at the present time and who, according to my information, have denuded it, stripped it of its inner workings and transferred them elsewhere, are making no use of it, and I can understand why. There is no intention on the part of the people engaged in the manufacture of steel in Canada to-day to set up competition among themselves; there is no intention of expanding that industry beyond what it is at the present time. If this is a demonstration to the Canadian people of how an industry created by the taxpayers is to be handled in the aftermath of this war, then drastic changes must take place; and the attitude of this government, if they are going to allow a plant of this kind to lie idle when it might be made use of, must be taken as an indication of what their attitude will be with respect to government-assisted industries after the war.

Mr. MACDONALD (Kingston City): I think the Minister of Munitions and Supply when he is here will reply to my hon. friend and give him the information for which he has asked. While I am not acquainted with the whole story, I can say quite definitely to my hon. friend and to the committee that I do not think anybody could have pressed harder for the erection of a plate mill or for the reconditioning of the old plate mill than the officials of the Sydney steel company. I know that since last summer they have been pressing for the very thing my hon. friend mentioned. Therefore it is not through any lack of effort on their part that the plant has not been established.

Mr. HANSON (York-Sunbury): Whose fault is it?

Mr. MACDONALD (Kingston City): It is not a matter of fault at all. I think the question first of all is this: Is this mill necessary? It may or may not be. I do not think we can expect the government to assist any man who wants to establish a plant in this country. There may be enough plants already, but on that point I cannot speak. We should not speak of fault at this time.

Mr. GILLIS: That is why I am seeking information.

Mr. McNIVEN: I should like to join with the hon. member for Cape Breton South (Mr. Gillis) in paying tribute to the consistent courtesy with which the Minister of National Defence has answered the various questions brought before the committee.

On two occasions I have referred to the minimum use which is being made of facilities in Saskatchewan for military establishments, and while sitting here during the progress of this debate I thumbed the pages of *Hansrd*. I find at page 1493, an appropriation of $3,799,000, and not one public building for a military establishment and not one dollar of that amount are provided for Saskatchewan.

At page 1626 of *Hansard* I find enumerated the pay and allowances for the several military districts in Canada. I find that military district No. 12, situated in Saskatchewan, has the lowest payroll and the lowest total of allowances of any province—$1,843,000 out of a total of some $22,000,000 or $23,000,000.

Then, turning to the table which the minister put on *Hansard* last night at page 2003, I notice an expenditure of $9,500,000 for training centres at one point or another throughout Canada, and the total of that sum to be expended in Saskatchewan is less than $200,000.

The other day the Minister of National Defence announced the formation of an armoured car division and a tank corps, and as I listened to his recital of the various companies comprising each of these corps I waited in vain for the announcement of any corps originating in Saskatchewan. One after another it was always some place outside Saskatchewan.

Then he came to what was described as the intelligence corps, and I said to myself: Here is where we come in; this must have been reserved for us. But it was not to be. The minister or the department had decided otherwise. I do not blame the minister. What I really think is needed is a lesson in geography for the brass hats who comprise the military council. The map of Canada should be displayed and the position of Saskatchewan within Canada pointed out to them, together with the facilities that are there, and it should be emphasized over and over again that there are in that province one million people who desire to take a more prominent and more active part in Canada's military effort than they have been permitted

to do thus far. The military council should be told in the most emphatic terms that Saskatchewan is still a part of Canada.

I know that the minister, with his consistent courtesy and kindliness of heart, can approach those who are his technical advisers and indicate these matters to them; and if, when he is issuing his instructions to them, he will just add something of that metallic ring to his voice which he uses when he really wants a thing done, I am certain that a greater use will be made of the facilities and resources of Saskatchewan and that the people of that province will be relieved of that sense of frustration which now they resent so much.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. NICHOLSON: I had a question which I wished to direct to the Minister of Mines and Resources or to the Secretary of State. Possibly, since they are not at present in the chamber, the Minister of Finance can give me the information I require. I understand that last summer, after the fall of France and Belgium, about 4,000 aliens were transferred from Great Britain to Canada, and that, while many of these people were enemies of Hitler, the fact that they were aliens was a sufficient reason for moving them from Great Britain. I understand that some have been sent to the United States and others have been returned to Great Britain. There are in Canada quite a number of them who, I believe, are as bitterly opposed to Hitler and Mussolini as we are. I wonder whether some of those who are trained technicians might not find some employment in some of our war industries in Canada. I understand there are a number of university graduates and undergraduates who are interned, and as matters now stand, it is next to impossible, I believe, for these interned persons to be given permission to stay in Canada, even if it is proved that they are very much opposed to Hitler and our enemies. What is the possibility of some of these people being permitted to make a contribution in Canada towards the defeat of our common enemy?

Mr. ILSLEY: This matter is not in my department and I have not very definite knowledge about it, but my understanding of the situation is that the Canadian government acts in accordance with the wishes of the British government in reference to the detention or the release or disposition of these internees. I do not think the Canadian government takes any responsibility whatever for releasing them on its own initiative. I believe that is left entirely to the British government.

Mr. NICHOLSON: I see the Minister of Mines and Resources has entered the chamber. Could he make a statement about the policy of the Canadian government as it affects enemy aliens who were transferred to Canada last summer and who are still interned here, should it be established that they are opposed to Germany and to our enemies? Many of them, because of their opposition to Hitler, left the countries which have now been overrun by Germany and took refuge in Great Britain. I realize that it is difficult to decide in every case whether these persons are genuine anti-nazis or whether they might be spies. There is a real difficulty there, but in the event of its being established that they are anti-nazis, what are the possibilities of our immigration authorities in Canada granting them, especially in the case of highly-trained mechanics, the right of employment in this country? Or what is the possibility of undergraduates continuing the university work which they were doing in Great Britain at the time they were transferred to Canada?

Mr. MacNICOL: Had you not better give Canadians a chance first?

Mr. CRERAR: The matter just raised does not come under the direction of the Department of Mines and Resources, but is under the Department of the Secretary of State. My recollection at the moment is this. When many of these individuals whom the British government wished to send to Canada for internment during the war were brought here, it was discovered in Great Britain, I believe, that a number of them were professedly anti-nazi. I am not going to pass any opinion on the procedure which the British government adopted in selecting the aliens whom they wished to send to Canada, but in any event these aliens came under the direction of the British government, and we could not very easily admit them to residence in Canada without a proper examination. I speak subject to correction when I say that a number of them have been returned to Great Britain, where I have no doubt they are rendering useful service in civilian life. As I stated, however, the matter is not one that comes under the control or direction of the department of which I have charge.

Mr. NICHOLSON: Would it not come under the direction of the immigration branch to decide whether these people might be permitted to remain in Canada? The point I am making is that some of them are as anxious as we are to see Hitler defeated, and they feel they are not making a valuable contribution behind barbed wires. If it can be established that they are anti-nazi, can the immigration branch make it possible for them to remain here? Some have returned to Great Britain and some have been transferred to the United States, but unless they can produce evidence that they have relatives in Canada, I do not think it is possible for them to remain here, although some of them are highly trained technicians and might make a valuable contribution in some fields in which we have a shortage. Have we in the immigration branch the machinery that could make it possible for them to remain?

Mr. CRERAR: I believe there have been a few internees who have first-degree relatives here and who have been released under a measure of probation; that is, they have not been given permanent landing, as we term it. There are however, other considerations that enter into the question of admission to Canada beyond the fact that a person may be an anti-nazi, and these are matters that we have to supervise carefully. I believe that several hundred of these people were returned to Great Britain at the request of the British government, and if they had not been taken up accidentally or in error when they were sent to Canada they would not have reached this country but would have remained in Great Britain. When, therefore, they returned to Great Britain their position was the same as it was before they were taken up.

Mr. MacINNIS: It is too bad that the Secretary of State is not in the house at the moment, because this is an important question, and there is not much sense in continuing the discussion as long as there is not a minister present who is able to give the government's policy with regard to it. I have been following the matter fairly closely and have had several communications with the Secretary of State.

I understand that the British government sent a special representative to Canada to look into cases of persons who were taken up in Great Britain after the fall of the low countries and France last year. I understand, as the director of immigration has said, that a number of them have been returned to Great Britain. I remember seeing recently an editorial comment in the *New Statesman and Nation* congratulating the British government on their work in that regard; it has turned out to be very satisfactory. I understand that this representative, Colonel Patterson, if my memory serves me aright, was complimentary as to the assistance received from the Canadian government in trying to sort out these people. But my understanding of what the Secretary of State has told me is that even if they are found to be anti-nazi and people who should be and would be released on their return to Great Britain, the policy of the Canadian government so far has been not to release any of them in Canada, that when they are certified as persons who can be released, they have to be returned to Great Britain. I think it is desirable, if some of these wanted to stay here and it was found convenient, that they should be allowed to stay; they would be an asset to our country as I am sure they are to Great Britain.

Mr. RALSTON: On this or some other section I wanted to give the committee information in reply to some questions. The hon. member for St. John-Albert (Mr. Hazen) asked some questions with regard to fires which had occurred and the safeguards observed in connection with the building and use of military establishments. I think it is due to the officers of the department that this should be on record, and I give my hon. friend and the committee the information I have from the quartermaster-general.

One question was whether instructions were given to officers to observe the by-laws of municipalities for preventing fires. The answer is that no recent instructions have been issued in the exact terms the hon. member used; but under standing instructions for engineer services in Canada, district engineer officers follow local and fire underwriters' requirements as far as practicable. Municipal, provincial and dominion fire marshals are encouraged to inspect the properties and report. Definite instructions are issued regarding precautionary measures for preventing fires.

The hon. member spoke of certain fires at Fredericton, Saint John and Yarmouth. The cause of the Fredericton fire has not yet been established. There is suspicion of incendiarism. The O'Regan fire was caused by carelessness of an individual, and was not due to the heating and lighting system. It was apparently started by a cigarette thrown into floor-sweepings. A report of the proceedings at the court of inquiry has not yet been received. The Yarmouth fire was apparently caused by the explosion of a heating stove while the building was unoccupied.

The hon. member brought to my attention a report of January 16 by Colonel E. J. Mooney, building inspector, made to the Saint John city council, stating that the defence department were doing work without building permits. He said, I think, that Colonel Mooney spoke to Major Blake, district engineer officer, who informed him that the engineers could design and build to their own ideas and that the local civic authorities had no jurisdiction. Major Blake, district engineer officer at military district No. 7, states definitely that he never was approached by Colonel Mooney, and that Colonel Mooney has never spoken to him regarding building permits or inspection of military buildings.

The hon. member said also that there were infractions with regard to fire prevention safeguards; he spoke of furnaces in the exhibition building being placed on thin concrete slabs on top of wood floors. He spoke of stovepipes being run through wood partitions without proper insulation, and said the fire department had to be called to extinguish fires in these buildings. He said that in the exhibition buildings there were five stoves with chimneys all connected with seven-inch jointed stovepipe running through fibre board false ceiling and floor, and then to the roof, the chimney without any sort of insulation; that it must have been red-hot at times, and that this would set fire to the dust.

The information I got from the quartermaster-general is that as far as the furnaces are concerned, they were placed on four-inch hollow tile and under that there is, not what I would call a thin concrete slab, but a four-inch concrete slab. The pipes from these furnaces were carried to brick chimneys which were specially built; there were, at various points in the building, seven or eight small stoves from which stovepipes had to be carried up through the roof. All pipes had protective arrangements and all were inspected by the fire underwriters' association representative.

The hon. member said also that the fire underwriters had looked into the situation and made two reports, the first showing that there were great fire hazards, which had been corrected. The second report said that not only had the former hazards been replaced but greatly increased. He spoke of the exhibition building being destroyed and one man having lost his life.

The reply is that the exhibition buildings at Saint John were inspected by a representative of the fire underwriters' association in company with Major Blake in the early winter of 1939-40, and that all suggestions made by the representative were carried out. The buildings were again inspected by the same representative later, and he expressed himself as completely satisfied that all reasonable precautions were taken. No report has ever been made to military district No. 7 by the fire underwriters' association. It is not known how the unfortunate man who lost his life came to be in the building.

Then my hon. friend spoke of the temporary huts, stating his information was that they were constructed of light inflammable wood with pitch roof, false fibreboard ceilings, with jointed stovepipes running up through to peak, with no insulation whatever.

As my hon. friend knows, the war-time hutments must necessarily be of wood and of the cheapest possible construction. Efforts have been directed against the occurrence of fires. All buildings are given a plentiful supply of fire-extinguishers, fire-buckets and so on, and in addition a good system of outside hydrants is provided in all camps. All stovepipes are protected by standard equipment where they pass through ceilings to the roof. We have had several thousand similar huts in Canada, and not had one of these destroyed by fire from the stovepipes, indicating that the stovepipe protection is adequate.

Then the hon. member asked whether the fires had been investigated and who investigated them. All fires, including those referred to by the hon. member, are investigated by a court of inquiry. The proceedings of the courts of inquiry are sent to national defence headquarters for review. Proceedings in connection with the exhibition fire at Saint John have not yet been received, and consequently no action has yet been taken. In any event where evidence indicates that disciplinary action should be taken, this action is taken by the adjutant-general.

Mr. HAZEN: I wish to thank the Minister of National Defence for his reply to the questions I asked him the other evening.

Some days ago I asked the Minister of National Defence for Naval Services in connection with the pay of officers and men in the army as compared with the pay of officers and men in the navy. The minister told me he would be glad to make a complete statement the following day. I know the minister had no opportunity the next day to make a statement, but I would appreciate it if he would make a statement on the subject as soon as it is convenient to him.

Mr. MACDONALD (Kingston City): I shall get the statement and give it in a few minutes.

Mr. HANSON (York-Sunbury): The statement made by the Minister of National Defence with respect to the fire position in

Fredericton is, I think, correct. I believe the huts are amply protected; I looked at them myself. There is, however, a question with respect to compensation for the exhibition buildings that were burnt. Does that come under the hon. minister's jurisdiction, or is that another branch? Some question is still open there. I got the question of free rent settled satisfactorily to everyone, I think, but it was without predudice to the claim of the association for compensation. I am wondering whether that is still open. Perhaps it does not come under the minister's jurisdiction, or he does not know.

Mr. RALSTON: No, that matter has not come up to me.

Mr. CHURCH: This bill is simply a post mortem. A great deal of this money was spent under orders in council passed by the cabinet, sometimes when parliament was in session. We have the ordinary budget, the gigantic main war budget, and now this one. These supplementaries would not be so large but for the fact that this House of Commons was Geneva-minded and depended on Kellogg pacts, collective security, Locarno agreements, the League of Nations, and all that sort of thing, with the result that we threw away our defences. Why, three years before the war we were spending twice as much on postage stamps as we were spending on the defence of the country.

Coming to this particular bill, I say to the government that in the Toronto district there is a great deal of dissatisfaction over present arrangements with regard to the foreign exchange rules for travel across the border. We are altogether too Washington-minded in connection with our fiscal and business affairs. The people of the United States would respect us much more if in our business deals we were able to take care of ourselves instead of doing anything they asked and seeming to try on every occasion to appease them. Yesterday the minister referred to the trade agreement between this country and the United States. That agreement was for three years and was to expire in 1940, but it has been continued indefinitely. It never was in the interests of the people of this country. There is altogether too much red tape with regard to the operations of the foreign exchange control board, and their rules and regulations are too rigid. Our imports from the United States are much larger than they were a year ago, and are $40,000,000 more than in 1939-40, and almost all these goods could be manufactured right here in Canada. Our imports from the United States require large amounts of United States exchange, but we find that under the foreign exchange control board the tourist trade has been practically ruined. It has been carried to an absurdity, and is a restraint of trade. I have here bulletin No. 4 of this board, which is issued to all the banks, railways and so on, dealing with travel by residents of Canada. It is a direct prohibition over parliament's head when the parity of the dollar could be had.

I claim that long ago the government should have had a policy in connection with these matters. To-day, as I see it, this government has no foreign policy at all. For the last five years I have been trying to find out what our foreign policy has been, and as far as I can make out we have none. This question of foreign exchange has given a great deal of trouble along the border among retail and wholesale men. People who want to go to the United States for a week-end trip are not allowed to do so, yet our United States cousins can come to Canada in their luxurious cars, travel throughout the country and visit our summer resorts with practically no restraint at all. Why, the other night, fifteen hundred of them got on an excursion train at Buffalo to come to some special function in Canada. I wonder what kind of control we have at the border. I know it is impossible for a business man to get permission to go to the United States on business matters without going to a great deal of petty annoyance and trouble. In my opinion the government of the day, under the lease-lend legislation which applies to this dominion as well as to other countries, should negotiate with Washington for the parity of the Canadian dollar, notwithstanding any law, statute, custom, usage or agreement to the contrary, and make a treaty from the lease-lend bill. The other night I said the government has power to enter into agreements such as the one between Canada and the United States. Well, the United States has a form of sub-lease-lend parity by treaty or contract with some of the central American countries, and I think that could also be done as far as Canada is concerned, if we are to continue to buy so much of their imports. Canada is being discriminated against.

I believe there has been too great a use of the big stick, and too much scarecrow, idle talk, telling what taxes you are going to make the public pay next fall, and all that sort of thing, which has had a serious effect on industry and business. This always catering to Washington's way of thinking, and doing as they do, is another appeasement measure. Our whole policy seems to be one of appeasement, and Canada is getting the worst of it all along the line in connection with exchange matters and treaties on agriculture and tariff matters, and no give and take.

There is one other point to which I should like to refer in connection with this vote. I understand the government have had before them for over a year requests from various boards of education throughout the country for assistance in connection with technical education for trainees for war industry. I believe a request was forwarded for a grant, bonus, subvention or subsidy to the central technical school in Toronto for a new building or wing, in connection with this programme for the extension of war technical education. For many years the huge cost of training people in technical schools has been paid by the cities, although this work has been to the advantage of industries of all kinds in peace and war alike, and at this time it is particularly to the advantage of the various war industries. These classes go on day and night, for almost the whole twenty-four hours. If the government of the day want to extend that training, I believe the time has come when provision should be made for helping these schools. An immediate survey should be made with a view to adopting a national scheme of aid, on a standard plan, applicable to all technical and vocational schools, so that industrial war plants may not be starved for trained men. I believe further that our economic system would thus be reorganized to increase the agencies of employment, provide additional work and increase the purchasing power of the Canadian people by such a national system of aid to our technical and vocational schools by direct federal and immediate aid.

The minister has spoken of the luxuries that the people may have to cut out. I believe this amount of $135,000,000 might be cut in half if the government would eliminate some of the luxuries this country is enjoying at the present time. For instance, we have the luxury of a duplicate railway system. I have never urged that they should be amalgamated, but I believe something should be done to bring about greater co-ordination and cooperation between the railway systems, particularly in these times of war. That would save a great deal of money. A survey should be made of our transportation systems, covering all common carriers. The last time such a study was made, transportation by air was only in its infancy and was not a factor in connection with passenger and freight traffic in Canada. A board should be set up to investigate the question of the common carriers, by water, road, rail and air; the functions each can perform, and what can be done to bring about greater coordination and cooperation in war effort by eliminating duplication and bringing about greater efficiency. In my opinion such a study should be conducted by an independent board of three members, and their inquiry should deal with the whole question of transportation on a long-range plan and so aid the war and employment and agriculture and industry.

In conclusion, Mr. Chairman, I believe the government should do something more for the soldiers who are going to fight our battles. I do not believe they were given proper consideration in either the main budget or the supplementary budget. I believe that for the period of the war and eighteen months after all foreclosures on homes owned by men serving in his majesty's forces overseas or elsewhere should be forbidden, and that the government should pay the interest due, charging it to the account of the mortgagor for the aforesaid period. A national system of soldier insurance should be started at once.

A return has been brought down in the house indicating that out of this supplementary budget, from September, 1939, to February, 1941, the Canadian Pacific Railway company was paid $2,628,832.90 for the transportation of navy, army and air personnel, while the Canadian National was paid $2,573,-226.28 for the same purpose during the same period.

The two railway companies are making a great deal of money. The gross earnings of the Canadian Pacific Railway were $151,280,-699 in 1939, and $170,964,897 in 1940, or an increase of 13 per cent. The net earnings leaped from $7,115,619 to $35,639,438, an increase of about 300 per cent. The other railway company has just as good a statement. I believe these companies could well afford to give free transportation to the soldiers, in view of the huge increased revenues and the federal aid they get, and not prosecute half a dozen soldiers. I can see no reason why food on the train should not be sold for 25 cents or 35 cents, the same as here in the parliamentary cafeteria. Why should the soldiers not receive the same treatment? I would ask the minister to make a statement before this measure is adopted, and to tell us about the hitch-hiking order, which is an intolerable nuisance, and illegal. Parliament has not yet made hitch-hiking a military offence. That order is a nuisance because, so far as I can see, nobody has asked for it, certainly not the Ontario government. It is said that the railways did not ask for it, although I was told by a railway official that they did. It would be well to give that matter further consideration, and rescind the hitch-hiking order.

Then there are one or two other things I should like to see done. An appeal has been made by Marshal Petain to the United States government with respect to the blockade against food shipments. As we know, this country is planning the expenditure of a large sum of money for shipbuilding and transportation facilities. I hope our government will have nothing to do with the appeal of Marshal Petain to break the blockade because, if it does, it will injure one of the most important factors in winning the war. It has been shown that a great deal of the food which is supposed to go to France does not reach there. An article of March 8 in a leading French paper states that 265 food trains came to Paris, and 241 of them were drawn out of the country in one month, during the night, to Germany.

I wish to refer to the work of the Canadian Broadcasting Corporation and the British Broadcasting Corporation. I believe that work should be coordinated, and that the government of the day should have some control over the class of talk, and censor anti-British talk.

I would hope that the minister would give consideration to soldier fares, and to those six soldiers who have been sent to prison as a result of some misuse of tickets. They were first offenders. After all is said and done, this involves only a small amount of money, a few dollars, and their officers want them back and spoke well of them. This is the last chance we will have, probably, to bring grievances respecting soldiers before the house.

I cannot see why the government does not negotiate with Washington an agreement by which there would be some parity of the dollar. That agreement could be made, I suggest, the same as ordinary trade agreements are made, or we could cut out half the imports altogether. If that were done, some amendments could be made to the present absurd exchange control legislation. The whole thing is an intolerable nuisance. When we go into department stores, on almost every counter we see imports from the United States on which exchange has to be paid. Almost all those articles could be manufactured in Canada. Yet nothing is being done about the matter.

Mr. MACDONALD (Kingston City): I have here a statement showing the comparative rates of pay in the three service forces. I am sorry that it does not go beyond the pay of captains in the army and lieutenants in the navy, but I believe it will give the hon. member for St. John-Albert the information he wished to have. If satisfactory, I should be pleased to have it placed on *Hansard*.

The table is as follows:

Comparative Rates of Pay

		Maximum per diem
Lieutenant (army)	$5 + M.A. $45 + $12 for each of 2 children. If not in quarters, allowance in lieu of quarters, rations, etc.—$1.70 per diem.	$9.00
Sub-lt. (navy)	$4 + M.A. $1 + 25 cents per child to maximum of 4. If not in quarters, allowance in lieu of quarters, rations, etc.—$2.10 per diem.	$8.10 Eligible for hard lying money of 25 cents per diem in destroyer and 50 cents per diem in smaller vessels.
Flying officer (air force)	$5 + M.A. $45 + $12 for each of 2 children. If not in quarters, allowance in lieu of quarters, rations, etc.—$1.70 per diem.	Plus $2 per diem flying pay for general list. $9.00 + $2.00
Captain (army)	$6.50 + M.A. $50 + $12 per child to maximum of 2. If not in quarters, allowance in lieu of quarters, rations, etc.—$1.70 per diem.	$10.65
Lieutenant (navy)	$5 (up to $6 by triennial increments of 50 cents) + M.A. $1 + 25 cents per child to maximum of 4. If not in quarters, allowance in lieu of quarters, rations, etc.—$2.35 per diem.	Specialist pay of 60 cents per diem if a qualified specialist officer. Eligible hard lying money of 43 cents per diem in destroyers and 75 cents per diem in small vessels. $10.95

Comparative Rates of Pay—*Concluded*

		Maximum per diem
Flight lieut. (air force)..	$6.50 + M.A. $50 + $12 per child up to 2..... If not in quarters, allowance in lieu of quarters, rations, etc.—$1.70 per diem.	Plus $2 per diem flying pay if on general list. $10.65 + $2.00
Sergeant (army)	$2.20 + M.A. $35 + $12 per child up to 2 ..... If not in quarters, allowance in lieu of quarters, rations, etc.—85c. per diem.	$5.00
Petty officer (navy).....	$2.40 (up to $2.60 by triennial increments of 10c.) + M.A. 75c. + 25c. per child up to 4..... If not in quarters, allowance in lieu of quarters, rations, etc.—$1.45 per diem.	Eligible for hard lying money of 15c. per diem in destroyers and 30c. per diem in smaller vessels. $5.80
Sergeant (air force)....	$2.20 + M.A. $35 + $12 per child up to 2 ..... If not in quarters, allowance in lieu of quarters, rations, etc.—85c. per diem.	$5.00
Corporal (army).....	$1.70 + M.A. $35 + $12 per child up to 2 ..... If not in quarters, allowance in lieu of quarters, rations, etc.—85c. per diem.	$4.50
Leading seaman (navy)..	$2.10 + M.A. 75c. + 25c. for each child up to 4..... If not in quarters, allowance in lieu of quarters, rations, etc.—$1.45 per diem.	Eligible for hard lying money of 13c. per diem in destroyers and 25c. per diem in smaller vessels. $5.30
Corporal (air force)....	$1.70 + M.A. $35 + $12 per child up to 2 ..... If not in quarters, allowance in lieu of quarters, rations, etc.—85c. per diem.	$4.50
Lance corporal (army)..	$1.50 + M.A. $35 + $12 per child up to 2 ..... If not in quarters, allowance in lieu of quarters, rations, etc.—85c. per diem.	$4.30
Able seaman (navy)....	$1.85 + M.A. 75c. + 25c. for each child up to 4..... If not in quarters, allowance in lieu of quarters, rations, etc.—$1.45 per diem.	Eligible for hard lying money of 13c. per diem in destroyers and 25c. per diem in smaller vessels. $5.05
Lance corporal (air force)	$1.50 + M.A. $35 + $12 per child up to 2 ..... If not in quarters, allowance in lieu of quarters, rations, etc.—85c. per diem.	$4.30
Private (army)	$1.30 + M.A. $35 + $12 per child up to 2 ..... If not in quarters, allowance in lieu of quarters, rations, etc.—85c. per diem.	$4.10
Ord. seaman (navy)....	$1.50 + M.A. 75c. + 25c. for each child up to 4..... If not in quarters, allowance in lieu of quarters, rations, etc.—$1.45 per diem.	Eligible for hard lying money of 10c. per diem in destroyers and 20c. per diem in smaller vessels. $4.70
A.C. 2 (air force).....	$1.30 + M.A. $35 + $12 per child up to 2 ..... If not in quarters, allowance in lieu of quarters, rations, etc.—85c. per diem.	$4.10

Mr. FRASER (Peterborough West): At present the non-permanent active militia units have to buy their own duplicating machines and the paper for those machines. They have also to pay the service charge on telephones. That money is taken from the pay of the men, non-commissioned officers and officers. I believe all these different non-permanent active militia units have bought duplicating machines and typewriters. It means that a dollar has to come out of the pay of the men. Could there not be some provision to take care of that. I know the government pays for some of the stationery. It also pays for long-distance telephone calls, if all details are sent in. But Ottawa expects that there will be a telephone in connection with these non-permanent active militia units, although Ottawa does not pay for those telephones.

Mr. RALSTON: I shall look into the matter to which the hon. member has referred. I wish to say, however, that it is certainly not deducted compulsorily from the pay of the men. It may be that the men pool their pay, and that it is paid out of a fund. There is certainly no compulsion about taking it out of the pay of the men. As a matter of fact, there have been complaints that we were paying too much in connection with these non-permanent active militia units, and particularly to officers. If, as I say, any expenses are paid out of the pay of the men, it is because the men pay it voluntarily into a regimental fund.

Mr. FRASER (Peterborough West): I did not say that the government took it out of their pay.

Mr. RALSTON: I thought that impression was given.

Mr. FRASER (Peterborough West): The different units take it out themselves, in order to pay those expenses.

Mr. HANSON (York-Sunbury): What is meant by "hard lying money"?

Mr. MACDONALD (Kingston City): In the naval service there are men whose accommodation is not what it might be on shore; consequently they are given a little extra allowance. This would refer to persons serving on destroyers, or other small ships.

Mr. HANSON (York-Sunbury): He has a flock mattress instead of a hair mattress; is that correct?

Mr. MACDONALD (Kingston City): He has not even that.

Mr. RALSTON: One or two questions were asked which I might answer at this time. In the first place the hon. member for Vancouver South, who, unfortunately, is not in the chamber at the moment, asked a question respecting age limits. I should like to give the committee the information I got in connection with the matter about which he spoke this afternoon, namely, the enlistment in Vancouver of men under nineteen years of age. I believe the facts are as I suggested to him, namely, that the enlistments are being made, not in mobile units, which were the units mentioned in the order to which I referred this afternoon, but, as I suggested, in coast defence units. The information I have is that we telephoned military district No. 11 this afternoon to ascertain the reason for the press announcement by Colonel Goodman, and were informed that recruits between the ages of eighteen and nineteen were being enlisted, but only for coast defence units such as artillery, signals, and so on, and not for units of the mobile force, referred to in routine order 138-39.

Military district No. 11 also stated that these young men between eighteen and nineteen were definitely recruited for home service in coast defence units, although on reaching the age of nineteen they would be given an opportunity of volunteering as reinforcements for overseas service. In the meantime they are replacing, in the coast defence units, personnel of nineteen years and over who have volunteered for service overseas.

Another question was asked by the hon. member for Bow River with regard to airmen who, I understood him to say, were sent from the far west to Toronto, simply to get their uniforms, and were then sent back again. My memorandum states that there are three manning depots in the service: No. 1 at Toronto; No. 2 at Brandon, and No. 4 at Quebec. When recruits are enlisted, they are sent to manning depots for a period of four weeks. During this period they are outfitted with uniforms, inoculated and given the usual instructions. They are then posted to schools throughout the country. In some instances, on account of the overcrowded condition of the depot at Brandon, it has been necessary to post recruits from the far west to the manning depot at Toronto, but this practice is not general.

Mr. JOHNSTON (Bow River): I was informed about this by some of the air force men who were coming down here. I particularly asked them why they came all this way just for uniforms, and they assured me solemnly that that was all they came for.

That was why I was so astonished that people would come practically 2,000 miles for no other purpose than to get uniforms. It seemed to me strange.

Mr. RALSTON: If my hon. friend had that information, although it seems incorrect, I can quite understand why he asked the question.

The hon. member for Lincoln asked a question with regard to a canvass of army personnel for the war savings campaign. I told my hon. friend at the time that I had no knowledge of any instructions having been issued. I now learn that a circular letter was issued, the effect of which I will give.

On February 27, 1941, a circular letter was sent to all district officers commanding, general officers commanding in chief, Pacific command, Atlantic command, commandant Royal Military College, et cetera, over the signature of the adjutant-general, advising that it had been decided that, rather than have civilian committees conduct a canvass of army personnel, the men should be approached by their own officers with a view to stimulating interest in the war savings campaign.

Request was made that commanding officers be instructed accordingly, they in turn to impress upon officers that every effort should be made to encourage soldiers to purchase war savings certificates.

It was suggested that best results would be obtained by junior officers explaining the subject to the men, and stressing advantages of such an investment and the necessity for all citizens, civilians or soldiers, contributing to Canada's war effort.

The letter goes on to say:

> To this end all officers should be called upon to approach this subject with enthusiasm and do all in their power to encourage the purchase of war savings certificates by serving personnel.

As I say, I had no knowledge of that letter having been sent, and I hasten to give the committee the information.

Mr. MacNICOL: I should like to get some information from the minister as to the future plans, if any, which will be followed in constructing huts of one kind and another in any camps which are to be set up for the department. I have in mind some huts along the esplanade at Toronto, east of Yonge street. Those who go to Toronto by train arriving in the morning will have noticed, on the south side of the tracks, about forty or fifty huts used in connection with the air service training plan.

I want to present to the minister an example of what seems to me to be indecision somewhere in the planning for construction of such camps as that. Those buildings were erected last summer, and for quite a long time there was no decision as to how they were to be heated. Talk among the trade in Toronto was that either hot-air furnaces or stoves would be used, but no one seemed to know. A general feeling arose that it would be entirely impracticable to use either hot-air furnaces or stoves, because either of those systems might cause fires. After considerable delay, Melvin Thomas, a competent engineer, perhaps one of the best in Canada, was engaged, and he planned what in my judgment is, under the circumstances, as good a steam-heating plant as could be installed. I wondered at the time why it took so long to make a decision. By the time the steam-heating plant was installed, the season was well advanced, and the cost must have been a great deal more than would have been incurred had a decision been made earlier in the year, and had the plant been installed when the weather was less severe. I hope that in the future the department, when constructing buildings of that kind, will decide at the beginning how the engineering is to be done, so that construction can be carried out at the least possible cost to the country.

I notice that large quantities of good material are piled round those buildings. In view of the fact that the salvage department is asking everyone to save paper and items of that sort which are of comparatively little value, it would be worth while investigating what use could be made of these large quantities of material, which appear to have some value.

Mr. RALSTON: Would this be the camp where the Norwegian airmen are?

Mr. MacNICOL: No; it is the airport east of Yonge street, along the esplanade.

Another evidence of indecision may be seen in connection with the heating of the buildings in exhibition park which were taken over by the government. A strange thing occurred in that connection, although I do not suggest that there is anything wrong. As the Minister of National Defence for Air said the other evening, much has had to be done so rapidly that everything was not done in, perhaps, as businesslike a way as it would have been had the urgency been less. What I am now going to refer to may be another example of that indecision which I hope is past. It has to do with the heating of the government building in the exhibition grounds in Toronto. Tenders were called for, and several firms tendered.

Mr. RALSTON: Pardon me; is my hon. friend referring to the exhibition buildings?

Mr. MacNICOL: At the exhibition buildings. One contractor got the job, but to my amazement he had to buy the boilers from a contractor against whom he had competed.

Mr. HANSON (York-Sunbury): That is team-work.

Mr. MacNICOL: And the boilers themselves came from Brantford. I admit that they make exceptionally good boilers at Brantford, but quite close to the exhibition grounds is the John Inglis company plant, which also make good boilers, and have made them for the past forty years. It struck me as most peculiar that the successful contractor had to buy the boilers from an unsuccessful tenderer, and that the boilers themselves came from a town well up to one hundred miles west of Toronto.

If you go to Camp Borden you will see—again—ample evidence of lack of preparation in buying supplies. I am not finding fault with the buying, but it is the fact that there are large quantities of stock which will not be used in Camp Borden for many years to come. Take, for example, iron soil pipe. Unless it has been recently moved away, there are large piles of soil pipe which, it was explained to me, are not needed and will probably not be used for a long time.

In bringing these three examples—

Mr. RALSTON: Four.

Mr. MacNICOL: —to the attention of the minister, I am not finding fault; I am not saying that everything is not all right. All I hope is, that from now on, if the departments of national defence are going to undertake, with their own architectural and engineering staffs, the erection of buildings, before tenders are called for, or before construction commences, the plan will be thoroughly decided upon, so that it will be completed with the utmost expedition and at the least cost to the country.

All that I have recorded is water under the mill; nothing can be done about it; but I hope that the recital of these instances will result in such measures as will ensure that future plans will inure to the benefit of the country, as regards efficient construction and low costs.

Mr. RALSTON: I appreciate the spirit in which my hon. friend has presented these matters. He understands, of course, that I am not familiar with the circumstances with regard to the heating of the huts for the air force, to which he has referred. I know that heating equipment and materials were very difficult to get last fall and early winter, and that, in connection with the army huts, the Department of Munitions and Supply was pressed to the limit to get heating apparatus. I know also that the air force had a different system of heating from that of the army huts. I understand that this is an equipment depot—something was said to indicate that—and it may be that the system of heating for the equipment depots was different from that for the ordinary huts. I shall certainly call the attention of my colleague the Minister of National Defence for Air to the matter. I know a little of the engineering capabilities particularly of the man who was the construction scout, as it were, in connection with these matters. He may be the gentleman to whom my hon. friend has referred. Mr. Goldie is the man to whom I refer. He was out on all these air force construction jobs. I am not sure whether he is from Toronto, but I understand he is an excellent man and a contractor himself, and I am sure that he would endeavour to have the plans made to the very best advantage.

I have also made a note about the salvage matter, but perhaps "salvage" is not the right word. My hon. friend was speaking of new materials, was he not?

Mr. MacNICOL: Yes.

Mr. RALSTON: So far as the army is concerned, we have arranged to ship such material to other jobs where it was not needed for the particular huts for which it was intended.

So far as the heating of the exhibition building is concerned, I am not as shocked as my hon. friend is—perhaps I should be—at the fact that the successful tenderer purchased boilers from an unsuccessful tenderer.

Mr. HANSON (York-Sunbury): That is not the way he put it.

Mr. MacNICOL: Yes, boilers controlled by a competing tenderer.

Mr. RALSTON: I do not know just what he means by that. I do not think he meant that anybody forced this transaction. Perhaps he thought that a man who was able to sell boilers to the lower tenderer might have been given the contract himself, but I can well imagine that a man might be in a position to sell boilers cheaply and at the same time be higher in his tender than the successful tenderer so far as fittings, labour and installation were concerned. I would take it that it was an over-all contract let by the Department of Munitions and Supply at competitive prices and that the lowest tenderer got the contract. If he was able to purchase boilers from another tenderer, and happened to pay more for them, that is just too bad for him.

My hon. friend does not suggest that there was any compulsion, that he had to purchase the boilers from his competitor.

With regard to the plans for buildings, my hon. friend knows—he would have known if he had been in any of the service departments last fall—that there were times when buildings had to be commenced on sketch plans. I know that in many instances—and this must have been the situation in connection with air force buildings as well—the plans had to be completed as the work went along, because there was tremendous pressure to get the work done both for the army and for the air force. I do not believe that even yet I can give my hon. friend an undertaking that buildings will not be started before the plans have been completed. My hon. friend may know that many of the buildings which were let on contract were let on a fee basis, and the plans were completed as the work proceeded. The district or local engineer had to site the building as the work proceeded in order that there might be no delay and to avoid the charge that men were busy on drawing-boards when the timber and other materials were there ready to be put in place. My hon. friend realizes that if we possibly could we should be very happy indeed to have all the plans completed before a tap was struck, but that was impossible in the emergency that prevailed during last fall and the early winter. I shall draw my hon. friend's remarks to the attention of the Minister of National Defence for Air and take to heart myself what my hon. friend says so far as the army service is concerned.

Mr. EDWARDS: Mr. Chairman, I think I should be remiss in my duty to my constituency if I did not say something with regard to this bill and pay my respects and the regard of my constituency to the ministers in charge of our respective war services for the splendid job they have done in carrying on Canada's war effort. I have the honour to hold the seat formerly represented in this house by none other than the Right Hon. R. B. Bennett, that distinguished Canadian who holds a warm place in the hearts of the people of Calgary West. I am not unmindful of the fact that at this moment he is doing a worth-while job on behalf of Canada in Great Britain.

I am also reminded of the feeling that exists not only in Calgary but in other parts of this fair dominion of ours, a feeling of pride and satisfaction at the manner in which our war effort is being conducted in this war in comparison with what took place in the last war some twenty years ago.

I particularly wish to pay a tribute, a belated tribute so far as I am concerned, but one which has been expressed in better words than I can choose, to our former Minister of National Defence and to our present Prime Minister with respect to the policy which they laid down as to how Canada's war effort should be conducted so far as the three services were concerned, namely, that it should be free from partisanship or political favouritism. That is something of which the people of my constituency at least have had ample evidence. To such an extent has this policy enunciated over a year ago been implemented and carried out in spirit and to the letter that for a gentleman to be recommended for promotion or appointment to a high post in any of his majesty's forces by any politician or member of parliament is almost tantamount to a blackball.

That observation applies with equal force to the awarding of contracts for munitions and supplies for his majesty's forces so far as Calgary West is concerned, and the extent to which this policy has been carried out is best illustrated by these examples. Let us start at the top. Only a few days ago the Hon. Doctor Manion was appointed by this government to an army post. Surely there could be no clearer evidence of lack of partisanship in appointments to the war services.

I would also remind the committee that the inspector-general of the army in western Canada is none other than that justly celebrated soldier, Senator Griesbach, than whom no better Conservative ever sat in this house or in the other place.

Mr. ROWE: And no better soldier.

Mr. EDWARDS: I am also proud to say, if I may be permitted so to do, that my opponent in the last general election was none other than Colonel D. G. L. Cunnington, who is now G.S.O. II in military district No. 13.

Mr. HANSON (York-Sunbury): He must be a good man.

Mr. EDWARDS: He was a good soldier; there is no question about it. The official organizer for that candidate now holds a very high office in military district No. 13. In fact, to such an extent has this policy been carried out by the present officers that my supporters are beginning to wonder whether or not any Liberal can possibly qualify for an office in his majesty's service at the present time.

I think the government is to be commended for this policy. I am sure that it has been carried out in spirit and to the letter sa far as Calgary West is concerned; indeed, so far as the city of Calgary is concerned.

What may be the experience elsewhere I do not know, but I am quite frank and sincere when I make these statements with respect to my own constituency, and I believe that if we stick to the facts in that regard, we can speak with firmness and conviction.

As I say, the government is to be commended for its policy. In my opinion the officers in charge of these departments are to be commended. My criticism, if any, and criticism on the part of the public, is that in those very departments some of the high officers, most of whom received their appointments, but not in the same way twenty years ago, may yet be mindful of their party affiliations, and there may be some justification for that criticism. I do not know. I should dislike very much to believe it. At least so far as Calgary West and other parts of the west are concerned, we are now told, "Don't go and see your representative in the House of Commons because he cannot do anything for you, but consult rather the officers in charge of the various departments."

It was not, however, with respect to that matter that I wished particularly to speak at this time. This government has announced from time to time that it is its policy to rely as far as possible on technically trained men, and so far as the army is concerned, it has enunciated, and, I believe, has carried out in practice, the policy of relying upon career militarists, men who have made a life study of military matters, rather than upon those who happen to wear a political badge as the credential entitling them to preferment in his majesty's services. I think the government is to be commended for adopting that policy, which, so far as I am aware, has been carried out. With regard to the services in connection with the furnishing of munitions and supplies, I believe the government is to be commended, too, in that it has gone out and obtained the services of men who are skilled, trained, and experienced in the production of those commodities which are required.

I now come to a matter which is surely a perplexing one, perplexing to any government and particularly to the present administration. It is the question of how to distribute in a satisfactory manner the various endeavours contributing to the war; I mean from a geographical point of view. Coming as I do from Alberta where industrial plants, machinery, equipment and trained mechanics are comparatively few and far between, I may say that we in the west are quite reconciled to the fact that, so far as any manufacturing or industrial endeavour is concerned, our contribution can be but very small if this government is to adhere to the principle which I believe they have tried and, I hope, will continue to try to follow, namely, that commodities should be made and produced, and that soldiers, sailors and airmen should be trained, as efficiently and expeditiously as is humanly possible.

This brings me to the one subject that appeals to me as a layman who has had some little experience in flying, one who was raised in Ontario as a boy, who knows something about the geography and the lay of the land and who has spent the last thirty years of his life in western Canada. It so happens that I come from the city where the chinooks blow. The chinook wind may have little or no significance to the members of this house, but it is a wind that comes over the mountains and is most perceptible in the winter time when it makes itself manifest by the rapid disappearance of any snow which may have fallen the night before. It accounts in part, for the droughts that occur in the southern and eastern portion of Alberta and extend into Saskatchewan as far as Moose Jaw and Regina, with their devastating effects, of which hon. members have heard some evidence in this house, in the repeated annual discussions with respect to the dried-out areas.

Mr. HANSON (York-Sunbury): So that is the cause of all your troubles.

Mr. EDWARDS: It is not the cause of all. In that so-called dried-out area, east of the city of Calgary and extending as far as Medicine Hat, there is produced wheat of the highest protein content grown anywhere in the world.

I wish, for a few moments, to direct the minds and thoughts of hon. members to our empire air training scheme. Some days ago, when the other vote was before the house, I asked the Minister of National Defence for Air what the determining factor was so far as the geographical location of our air training schools was concerned, because I had in mind the fact that both Great Britain and Canada realize perforce that possibly the greatest determining factor in the successful outcome of the war would be the rapid training of competent, skilled airmen. That seemed to be the crying need.

Mr. HANSON (York-Sunbury): That was the crime of 1938.

Mr. EDWARDS: I do not propose to discuss that question with the leader of the opposition. That is another matter.

Mr. HANSON (York-Sunbury): It is part and parcel of the same thing.

Mr. EDWARDS: I was not here at that time and frankly I was not vitally interested in it then. But an air training scheme having been decided upon, the thought that would occur to the mind of any normal citizen is this: Where will they train their airmen in order to train them most speedily, economically and efficiently and with the minimum of hazards? From my knowledge of Ontario, the maritime provinces, western Canada and the Pacific coast, I thought, and I believe properly, that that air training scheme would find its heart and centre in a place where airmen could be trained the year round with a minimum of hazards and a minimum of expense. But in answer to my question of a few weeks ago, the Minister of National Defence for Air referred me to page 736 of last year's debates, and I find that this was the policy laid down:

Emergency landing grounds on the Trans-Canada airway owned by the crown, controlled by the Department of Transport, developed as unemployment relief projects, mostly to an extent usable for emergency purposes only.

Naturally there was a general impression that advantage should be taken of these existing facilities. However, most of them were found unsuitable for the training plan because of, inter alia—

And these presumably are the features which were to be avoided:

(a) location in rough or mountainous country unsuitable for flying training.

If we apply that test to southern Alberta, any hon. members who know that section know it is a foothill and prairie country, relatively smooth, with absence of mountains, trees, buildings and, fences, stones, stumps and water.

(b) impracticability of economical development to the size and clearance necessary for a flying training school.

I find that this condition does not apply to southern Alberta, because there one finds ample clearances. Any hon. members who have flown over that country or even travelled over it by automobile or rail must have been impressed with the fact that those difficulties do not apply there.

(c) location remote from centres of population.

Any part of southern Alberta is readily accessible to centres of population.

(d) location in areas of heavy snowfall.

I think I can truthfully say I have seen more snow in the last six weeks in Ottawa than I have seen in the last fifteen years in Calgary or anywhere else in southern Alberta. This afternoon a man who has just come to Ottawa told me that at the present time the farmers at Claresholm are preparing their soil for seeding.

[Mr. R. B. Hanson.]

In the concluding paragraph the minister says that he relies on his technical officers for surveys and so on, and he continues:

From a study of the preliminary survey reports by representatives of the Department of Transport and of the Royal Canadian Air Force, sites were tentatively selected for specific types of schools, distributed geographically throughout Canada as evenly as possible considering reasonable economic development and flying requirements.

I suggest that some criticism may be justly founded on the fact that these air fields are found distributed not only across the prairies but down through Ontario and Quebec and the maritimes. I have tried for the last two and a half weeks to get definite statistical information to support the argument I am now making. I have been unable to get sufficient to cover all the ground, but I think most of what I shall say is a matter of common observation. Land in western Canada is cheaper than similar land in Ontario and Quebec, adjacent to centres of population. Second, lands adjacent to cities in eastern Canada offer more hazards to aviation, and they must be cleared of the natural growth thereon in the form of trees. Farms in Ontario are for the most part one hundred acre farms divided into three or four fields; so it is not an unfair assumption, but one which I think will be borne out by the statistics when they are produced, that the cost of levelling and clearing airfields in eastern Canada is higher than in western Canada. Having cleared the field, let us assume that the cost of runways, erection of buildings and housing for the men is the same. There is, however, still the necessity of keeping the runways clear, which entails, I am sure, enormously greater expense in eastern Canada, where there is such a tremendous snowfall as has been the case this winter, as compared with the insignificant snowfall in southern Alberta this winter or in any and every winter, because of the weather conditions and the beneficient influence of the chinook wind.

I now come to what I consider an even more forcible argument, namely, the atmospheric flying conditions. The term "sunny" is not just a meaningless adjective tacked on to the name of the province of Alberta. In that province the day the sun does not shine is a rare day. And you do not have the rainfall; if you did, there would be no wheat problem so far as Alberta is concerned. Nor do you have sleet and snow in abundance such as you have here in eastern Canada. The falling of each and all those elements must necessarily constitute a real hazard to flying, at least to the training of the young and unskilled pilot, and must, as a result of grounded flying machines, militate against the expeditious training of these men.

The crying need of Britain has been and is at this time for trained pilots. Such statistics as I have been able to get from the department reveal that the number of hours that a plane is grounded by reason of weather is much greater in other parts of Canada than it is in southern Alberta, or that area which stretches shall I say, to Moose Jaw. Yet we find airports and training fields established in the woods in these eastern provinces.

I can readily understand that the department will have in mind the use of these various air fields after the war. Quite properly they might have in mind selecting fields in proximtiy to cities in consideration of the use that may be made of them afterwards as airports. But having in mind the paramount consideration, namely, the expeditious training of air pilots with the minimum of hazard to the pilot and the machine and of expense to the government, there should be a wider development and concentration of flying in southern Alberta.

Mr. McNIVEN: And southern Saskatchewan.

Mr. EDWARDS: And southern Saskatchewan. Remember this, that I do not say this having in mind my own home city of Calgary, which probably has, with one or two exceptions, a greater air development than any other city in Canada. I was frank enough to confess, much to the amazement of some of my political friends, that as far as the selection of some of the air fields there was concerned, I had nothing whatever to do with it. My constituents were astonished when I confessed that they knew these sites had been selected before I did, because I read about it in the Calgary newspaper which I received here three days after the news was made known in that city. But if the policy of the government is to distribute these air schools evenly across Canada, I believe that is a mistaken policy, involving needless expenditures of money in the purchase, clearing and upkeep of fields for training purposes, and creating additional hazards and delays in connection with the training of pilots; for it must be remembered that when a plane is grounded, the pilot perforce cannot fly. It is not that I have asked for any field in the Calgary district, or that I hope any training school will come to Calgary because of any representation I might make, which were not based on sound reason and logic, that I have spoken this evening. So far as I am concerned, I will never raise my finger to get anything for Calgary or for western Canada which I do not believe can be justified on sound economic grounds and will contribute the maximum of efficiency to our war effort. But if this is the policy that has been laid down, and it has been correctly stated, then in all conscience and in all seriousness I urge that the government should revise same and give consideration to the possibility of training our pilots in that part of Canada where the training can be carried on most economically and with the minimum of hazards to the pilots themselves.

Mr. RALSTON: The Minister of National Defence for Air is not here, but I think the principal matter on which my hon. friend has laid emphasis is the selection of sites for air schools. I can only say what I know to be a fact that in connection with the selection of these sites the minister had the benefit of the assistance of a board of technical officers who understood the requirements in connection with flying training. I think there was also on the board an officer from the transport department with long experience in connection with the construction of aerodromes, who knew the sort of soil and location best adapted to that work. I have no hesitation in saying to the committee that I am satisfied that not a single site for an air training school was selected except on the recommendation of this board, who were regarded as better qualified than anyone else to decide where these schools should be located; and that they worked without interference of any kind by the minister or anyone else. I know my hon. friend has not suggested that there was any interference, but I say to him that the choices were made deliberately by people who were supposed to know, and who, I believe, did know, better than anyone else in this country what was necessary for these schools, what ground facilities were required in order that the best possible job might be done in the shortest possible time.

Mr. HANSON (York-Sunbury): I hope the ministry will give heed to the plea just made by their supporter. He almost made me weep at the injustice that had been done to southern Alberta. With regard to the selection of air training schools, I know definitely that one site was turned down by that board and that now nearly half a million dollars has been spent in building an air training school at that very location. Therefore I am not so much impressed by the statement of the minister that the joint board selected all these sites. I know it to be a fact that the Pennfield site was absolutely turned down by this board. The hon. member for Charlotte made a plea for the establishment of a school at that point, and half a million dollars has been spent on that school. So something

happened in regard to Pennfield. Just what it was I do not know, and I am not very particular about it, because I was also anxious to see that school developed. It is not in my constituency, but it is adjoining, and it is in my old home county.

I was not so much impressed with the statement of high policy to which the minister gave expression. There have been changes made. The objection to the Pennfield site was fog. Well, the fog from the bay of Fundy is still there and always will be there. I have lived along the bay of Fundy for some sixty odd years now, and the fog is still there. I nearly wept when I heard the hon. member for Calgary West tell us about what had happened in his community and certainly his statement requires a reply by the minister with regard to this apparent discrimination against beautiful, sunny Alberta about which the hon. member orated a few moments ago with such telling effect. With respect, however, to the appointment of these Tories to high offices in the army, let me tell the hon. member for Calgary West that among the most patriotic men in this Canada of ours he will find leading Conservatives in every walk of life, prepared to do their duty by the empire and by Canada, to-day and always.

Mr. RALSTON: I cannot reply to the reference to the Pennfield airport; I do not know the circumstances. But I repeat with all the emphasis at my command that the Pennfield airport, and every other airport where training is being carried on, were selected by this board. The board may have changed its mind, or the tactical situation may have changed. As I speak, I have some recollection that the Pennfield airport was established for tactical reasons after the break through, because of the possible threat on the Atlantic coast, when the Atlantic command was established, in order to have a reserve base for planes back from the seaboard. I think my hon. friend will find this to be the reason.

Mr. HANSON (York-Sunbury): I know I was trying to help with regard to the matter, and the location was condemned by the board because of fog. For some reason a change was made, and I was happy to have the change and never inquired as to the reason for it.

Mr. RALSTON: I think my hon. friend will find the reason to be as I have stated it. I wish I had known the matter was coming up but I am quite certain now that Pennfield was selected as a reserve base back from the seaboard.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): I have no doubt that there were good reasons for the change.

Mr. HAZEN: In the absence of the Minister of National Defence for Air, I should like to direct a few questions to the Minister of National Defence with regard to the training of squadron leaders under the commonwealth air training scheme. I am not in a position to discuss this matter in any detail; as a matter of fact, I know nothing about it, but one hears rumours and reports. If the minister is not in a position to answer these questions now, perhaps he will do so at his convenience. The questions are these: Under the commonwealth air training plan are airmen trained in Canada as squadron leaders? Has any difficulty been experienced in training squadron leaders in Canada for service overseas? Have airmen been trained in Canada as squadron leaders who are now in charge of squadrons overseas; and, if so, how many? Is it proposed to make any change in the commonwealth air training plan in connection with the training of squadron leaders?

Mr. RALSTON: I can only say to my hon. friend that I shall try to get the information for him. Just offhand, however, I think he is mixing up the air training plan and the home war establishment. Of course squadron leaders are being trained in the home war establishment; that is to say, officers who serve in the air defences of Canada and those who go overseas to man our own squadrons over there. Probably there also will be some of these officers in some of the squadrons which will be formed as a result of the commonwealth air training plan. There is no doubt in the world that squadron leaders are being trained in Canada. Whether squadron leaders are being trained under the commonwealth air training scheme, I cannot say, but I have the idea they are not.

Mr. HAZEN: How are squadron leaders being trained, and where?

Mr. RALSTON: That is not under the air training plan, but rather, I believe, under the home war establishment.

Mr. ROSS (St. Paul's): I have one or two questions in connection with rumours which I suggest ought to be straightened out. Would the Minister of National Defence for Air or the Minister of Munitions and Supply give a comparison with regard to the hours necessary to ground planes of various classes for purposes of overhaul. I understand there is some dissatisfaction with some of the planes being made. Some are very satisfactory, and

others are not. If a large percentage of one class of planes is being grounded for a considerable length of time, I should like to know why some change has not been made.

Mr. RALSTON: Is the hon. member asking as to the regulations concerning the number of flying hours before an overhaul is ordered?

Mr. ROSS (St. Paul's): No; there are various classes of planes used in connection with the air training plan. There is dissatisfaction, or at least it is rumoured that there is dissatisfaction with certain makes. How many hours are granted for the overhaul of these different classes of planes?

Mr. RALSTON: Is the hon. member referring to elementary trainers, such as Ansons, and so on?

Mr. ROSS (St. Paul's): In the whole air-training scheme. We might as well have it for all of them.

Then, I have one further question, I notice the Minister of Justice (Mr. Lapointe) is not at present in his seat. I wanted to ask him if any of the money we are now asked to vote will be used to increase the pay of the Royal Canadian Mounted Police. We know the pay they receive is not sufficient. Is it intended to do anything for those men who are working at such high pressure?

Mr. RALSTON: I shall make a note of the question, and call it to the attention of the Minister of Justice.

Mr. BLACK (Cumberland): Would the Minister of National Defence for Naval Services make a supplementary statement respecting the construction of ships in Nova Scotia? I am referring more particularly to the construction of wooden ships. The statement he made in the house a few weeks ago with regard to this matter was a great disappointment to the people of Nova Scotia. The people in that province feel that the capacity of the shipyards of Nova Scotia has not been used even to a fraction of their possible use in the building of wooden ships, ships which could carry cargo, powered with diesel engines and capable of keeping up with the average convoy. They could do coastal work and thereby release steel ships to be used in the transatlantic service.

The minister's statement was supported and confirmed by the premier of Nova Scotia who took credit for obtaining large shipbuilding orders for Nova Scotia. It was stated by the premier that the Nova Scotia yards had been given an opportunity to build ships, but that they refused. These statements are not satisfactory to the people of Nova Scotia, and are a disappointment to Canadians as a whole. I do not believe we are doing justice to Lord Beaverbrook and to the British people who have made an appeal to people the world over for ships. The minister said that the demand for ships was first in war necessities, even coming ahead of the building of aeroplanes. I feel that much more could and should be done by the government in assisting, encouraging and, if necessary, compelling the people of Nova Scotia to build ships. This is a supplementary appropriation, and I should like to have a supplementary statement from the minister.

Mr. MACDONALD (Kingston City): I am not just sure what information the hon. member for Cumberland requires. In the first place the business of building cargo ships or, in fact, the building of ships of war, is not one administered by the Department of National Defence for Naval Services. All these matters are dealt with by the Department of Munitions and Supply.

I would, however, say to the hon. member that, so far as I know, up to the present time no assistance has been given to any shipyard in this country. In my view that point ought to be cleared up at once. There are some people in certain parts of the country who seem to think that because the government is assisting certain manufacturers to set up industries, which are essentially and only war industries, therefore the government should assist any industry. For example, let us consider the building of corvettes. To the extent to which we were asked to build them in this country, the building of corvettes could be taken care of without any difficulty whatever in existing Canadian shipyards. I ask the hon. member, and any other member in the committee, if it would be reasonable to expect the government of Canada to establish new shipyards for the building of corvettes when there were in Canada plenty of yards which could handle all the corvettes we want. It would be utterly unreasonable, I suggest, to establish such yards. The fact that a man who is asked to manufacture munitions or something of that kind—commodities the use of which will vanish at the end of the war—is given some assistance by the government is, I suggest, no reason whatever why we should believe that everything manufactured for war should be subsidized by the government. We had some twenty yards in Canada capable of building corvettes, and capable of building certain other ships required for war purposes.

The question which I suggest people ought to ask themselves before they begin saying that the government should force Nova Scotia shipbuilders or any other shipbuilders into a

programme of plant expansion is whether existing plants have been taxed beyond their capacity. Until that time arrives, I do not think it is the function of government—this or any other government—to begin to subsidize or to bonus shipyards and shipbuilding.

The other night, in the absence of the Minister of Munitions and Supply, I made a statement respecting the building of wooden cargo ships. My hon. friend now asks me to amplify that statement. I can say to him that the opinion of certain British shipping experts is that a ship of even 4,700 tons, the size of ship the building of which was considered in this country a short time ago, is practically too small to-day for convoy work. I do not say there are not some ships of a tonnage less than 4,700 plying the seas; as a matter of fact, there are a few. But these men are thinking of building ships, and their advice to this country is, if you are going to build ships, do not build a ship as small as 4,700 tons. That ship has to go in convoy; it has to be cared for in the same way as if it were a ship of 10,000 tons. It is not so economical, ton for ton, as a 10,000 tonner, and all in all it is not wise to undertake the building of ships of this size.

My hon. friend knows very well that when you speak of wooden ships and when you speak of 4,700 ton ships, you are referring to two totally different things. You cannot build a wooden ship of that size. While it has been suggested, I believe, that there are in Nova Scotia fifty yards which can undertake the building of cargo ships, in my opinion a statement of that kind is in need of the most drastic revision.

Mr. HANSON (York-Sunbury): It all depends upon what the minister means by "cargo ships."

Mr. MACDONALD (Kingston City): I am saying to my hon. friend that the advice of the British authorities who have come to this country—and I would suppose that theirs is the best advice in the world when it comes to shipping of any sort, mercantile ships or warships—is, that it is unwise to talk of convoys across the Atlantic composed of ships even of 4,700 tons; and I say that when you get to that tonnage, you are entirely out of the wooden ship class.

What other yards are there in Nova Scotia capable of building steel ships? The shipyards at Halifax can do so, but they are engaged at the moment in other duties which are regarded as of even greater importance. They have been asked to undertake and are undertaking repair work. I do not know of any other shipyards equipped to build steel ships. There is no question that such shipyards could be established.

Mr. HANSON (York-Sunbury): Were not ships of substantial tonnage built there on a large scale during the last war? I do not remember how big the ships were, but I know they did construct steel ships.

Mr. MACDONALD (Kingston City): During the last war they built steel ships at New Glasgow; they built them also at Halifax, and of as great a tonnage as 9,500. That could be done again; but the question is, is this government called upon now to establish a shipyard at, we will say, New Glasgow, where there is no yard at the present time, while there are yards at British Columbia, on the river St. Lawrence and on the great lakes which are capable of building these ships? That is the whole question. If this country desires this government to go into the business of establishing yards in competition with those existing yards, which so far as I know are capable of taking care of all the business which offers at the present time—if the people want the government to subsidize yards in competition with these existing yards, that is another story. But if my hon. friend can tell me of any yard in Nova Scotia which is capable to-day of building steel ships for cargo purposes—and that is the only type which can be considered for transatlantic purposes—I would be glad to have the name of that yard. If my hon. friend can name me any yard in Nova Scotia which is capable of building ships for war purposes and has not been given an opportunity of bidding on these ships, I should like to have its name. I can tell him that, when it came to the construction of wooden ships, I hoped that a great number of them would be built in Nova Scotia. I knew that British Columbia and other provinces had been building steel ships, because they had yards equipped for the purpose. Steel ships have been built on the great lakes and the St. Lawrence, but none had been built in Nova Scotia. As I have said, the only yard in that province which is capable of doing that work was assigned to other essential war work. I had hoped, however, that a great many wooden ships would be built in Nova Scotia, as some measure of compensation for the contracts for steel ships which had gone elsewhere.

There were twenty-four Fairmiles to be built. They were wooden ships, 112 feet long, costing not more than $100,000 each for the hull. I believe that last fall the Department of Munitions and Supply was prepared to give contracts for eighteen or twenty of these ships

to Nova Scotia if the builders in that province were prepared to take them. The department sent down the director of shipbuilding to examine the yards and see whether they were capable of undertaking this work. He returned and made a report in which he listed, I believe, some six, or perhaps it was as many as ten, Nova Scotia yards which could do the work. Bids were asked for, but only three Nova Scotia yards bid on these ships; and this is the province which is the home of wooden shipbuilding in Canada. Of these three bidders, only one was at all within the range of the bids offered by builders in Ontario, on the St. Lawrence and in British Columbia.

So amazed was I at the discrepancy in prices that I suggested to the Minister of Munitions and Supply and to the director of shipbuilding that Nova Scotia builders must have made some mistake, that presumably they had misunderstood the specifications, and that they should be given another opportunity. That opportunity was given them; they bid a second time, and again, only one man was at all within the range. There were bidders in British Columbia whose bids were $25,000 below the second and third Nova Scotia bids on a job which was worth something less than $100,000. Does my hon. friend or does any sane person in this country contend that we should accept those bids from Nova Scotia and award contracts on that basis? As a matter of fact, we had to ask the one bidder at Weymouth to undertake two ships instead of one. The result is that, of the twenty-four Fairmiles, two only are being built in Nova Scotia.

Mr. ROSS (St. Paul's): The minister is talking a good deal about bids on these boats. Could he let us know whether the Department of Munitions and Supply have always been so meticulous in calling for bids in other classes of work as they have been in connection with ships?

Mr. MACDONALD (Kingston City): All I can say is that, so far as my knowledge of the action of the Department of Munitions and Supply is concerned, they have called for bids for all ships; and I believe the policy of that department is to call for bids not only on ships but also in respect of every other undertaking in which they engage. There may have been some instances where the urgency of the matter prevented calling for tenders, but I should say that in 99 per cent of contracts of all kinds, bids were called for. Certainly they were in the case of all ships.

I pass from the Fairmile boats, which were the first large type of warship required, to the next type.

Mr. CASSELMAN: The minister has been talking about 10,000 ton ships. For my own information, would he mind giving an estimate with respect to the specification affecting the length and beam of a 10,000 ton ship?

Mr. MACDONALD (Kingston City): Oh, I could not give that offhand to my hon. friend. I can get it for him.

Mr. MacNICOL: Probably 500 feet long; width about sixty feet.

Mr. CASTLEDEN: Would the minister think it wise to make use of the mobilization act under these circumstances? Ships are of such vital importance that the Canadian and the British people are not very much interested in contracts or competition or prices. It seems to me that every yard in Canada which is capable of building ships of the kind required should be at work to-day building ships. If they have not the men, the men should be trained. If they have not the steel, something should be done about it. But at this time every shipyard in the country which can be used should be working. If the private owners are not going to work them because they cannot get the price they want, the government should take these yards over and build the ships under the mobilization act. Is the minister going to consider taking this action?

Mr. MACDONALD (Kingston City): What is the question my hon. friend wanted to ask me? So far as I could judge, he was making a speech.

Mr. CASTLEDEN: Does the minister not think it advisable in certain instances to take over the shipyards under the mobilization act and get them working?

Mr. MACDONALD (Kingston City): My only answer to that is that, so far as I know, the shipyards of this country are not yet taxed to the full capacity. They are capable of taking care of all the business that is being offered, and until the time comes when there are not enough shipyards in this country to handle the business offering, I do not think there is any need to talk of the application of any act to conscript or take over or confiscate these yards.

Mr. DOUGLAS (Weyburn): The minister just said that only three of twenty-five firms in Nova Scotia had bid to build ships.

Mr. MACDONALD (Kingston City): I think my hon. friend had better stick to something he knows a little about—wheat or something like that. Six builders were given an opportunity to bid, and only three of them

bid. If my hon. friend thinks we should take people by the throat and gestapo them into building ships when they do not want to build them, that is another story.

I was going on to speak of the next type of wooden ship asked for by the naval service, namely, wooden mine-sweepers. What is the story about the wooden mine-sweepers?

Mr. HANSON (York-Sunbury): What are the Fairmile sweepers?

Mr. MACDONALD (Kingston City): They are patrol vessels. We asked for bids for wooden mine-sweepers, and again I may say that I hoped that most of them might be built in Nova Scotia. They were perhaps a little simpler to build than the Fairmiles. Tenders were called for. I am not definitely sure on this point, but I think I am correct in saying that only Nova Scotia bidders were asked to bid on these mine-sweepers. Ten boats were ordered from Nova Scotia bidders, two from each of five shipbuilders in that province. What happened? These five builders accepted a contract and undertook to build two mine-sweepers each, but they had scarcely undertaken the work when two of these Nova Scotia builders threw up the work and said they could not go on with it.

Mr. HANSON (York-Sunbury): For what reason?

Mr. MACDONALD (Kingston City): For one reason or another. One had difficulty in getting capital. Another said that the specifications were too difficult. The result is that only six of these ten boats are being built in Nova Scotia, and the other four are being built on the St. Lawrence or on the lakes. That is the story with regard to the mine-sweepers.

What more could be done than was done by this government so far as the building of wooden ships is concerned? I stated the other night that the government of Nova Scotia had called a meeting of all the shipbuilders in that province. I think two meetings were held, and they got a delegation of shipbuilders to come to Ottawa. They got the best naval architect in Nova Scotia, Mr. Rowe, the designer of the great ship *Bluenose,* to accompany them as a technical expert and had with them also a minister of the Nova Scotia government. They interviewed representatives of the Department of Munitions and Supply and they interviewed me, and everything was done that could possibly be done to stimulate the development of the wooden shipbuilding industry in Nova Scotia. But for one reason or another the situation is as I have stated. What the full reasons are I do not know. It may be as the hon. member for Queens-Lunenburg (Mr. Kinley) suggested, that it was lack of capital. There may have been difficulty in understanding the specifications. It may have been that the wood which they had to use in these ships was foreign wood that had to be imported.

Mr. HANSON (York-Sunbury): Was that not the real reason?

Mr. MACDONALD (Kingston City): If that was the real reason, that the ships required mahogany and teak which had to be imported, the very same reason applied to the shipbuilders in British Columbia, Ontario and on the St. Lawrence. No mahogany or teak is grown in this country. These woods would have to be imported by the Ontario builder and the British Columbia builder as well as by the Nova Scotia builder, so that cannot be or ought not to be the real reason.

It is all right to make a general statement about the desirability of having every yard in Nova Scotia humming, but I think it is better to see the persons in charge of these yards doing some humming themselves, making every effort to get business. They have been coaxed again and again to take the work, and the result of it all is as I have indicated. Some have refused to bid, and others accepted bids and failed to go on with the work. If my hon. friend can suggest any other definite thing that can be done, I shall be glad to discuss it with my colleague the Minister of Munitions and Supply to see what can be done, but I do not think it is of any use to make general observations like "every shipyard should be busy and all Nova Scotia shipyards should be working," when in some respects the yards themselves have not taken full advantage of the opportunities that offered.

Mr. ROSS (St. Paul's): The minister said that it was difficult to get teak and mahogany. Is it not a fact that in some instances teak and mahogany have been specified and substitutes allowed? I wonder whether these Nova Scotia men who have been asked to tender know all about that.

Mr. MACDONALD (Kingston City): I do not know about that. I am speaking for a department that is not mine, but I am sure that if any changes in the specifications were made for one shipbuilder, other shipbuilders would have been given an opportunity to make a change in their bids.

Mr. BLACK (Cumberland): I for one am not satisfied with the statement of the minister, nor do I believe the people of Nova Scotia will be satisfied. The statement he made the other night and the statement he has made to-night are the statements of a defeatist. That is a word I have never

used before, but I have to apply it in this instance. If shipbuilding is as urgent as we believe it to be, the number of ships being built in Nova Scotia should be many-fold the number being built to-day. The minister says that the shipyards of Nova Scotia should be humming. Why are they not humming? Because there is no humming on the part of the minister and the government and those associated with them. If they did their part, many ships would be building in Nova Scotia to-day. I have a statement here from Mr. D. B. Carswell, controller of ship construction in Canada. His statement should be as authoriative as anybody's in Canada. We have had a statement from Lord Beaverbrook, the most authoritative in the world, that the building of ships was urgent, and now Mr. Carswell is quoted as saying:

> Principal problem facing an "all out" cargo and warship construction programme in Canada, which would involve establishment of new shipyards throughout the dominion, is the problem of finding the money for both ships and yards.

The CHAIRMAN: What is the hon. gentleman reading from?

Mr. HANSON (York-Sunbury): What difference does it make? The chairman has no right to interrupt the speaker in that way and ask him what he is reading from. He announced it anyway. This interference by the chairman must stop.

The CHAIRMAN: Order. There is a well-known rule of the house that no hon. member may read from a private document or a public document without stating what he is reading from.

Mr. HANSON (York-Sunbury): He stated it.

The CHAIRMAN: My question was, what the hon. gentleman was reading from, and I missed his reply. If any one desires to speak to the point of order—

Mr. HANSON (York-Sunbury): It was not on any point of order.

The CHAIRMAN: Yes. The leader of the opposition rose in his place and stated that he was raising a point of order.

Mr. HANSON (York-Sunbury): No, I did not say anything of the sort. What happened was that the chairman himself intervened to interrupt this speaker, and he had no right to do so because the hon. member was quite within the rules. We might as well have this question of order settled.

The CHAIRMAN: Order, please. The hon. gentleman cannot rise in his place when another hon. member is speaking, except on a point of order. I, as chairman, said that I understood him to rise to a point of order, and I say the point of order is wrongly taken. The chairman has a right to ask what document the hon. gentleman is reading from and I am asking that question.

Mr. BLACK (Cumberland): I was reading from the Vancouver *Sun* of March 11, a statement purporting to have been made by Mr. D. B. Carswell, controller of ship construction and repairs in the Department of Munitions and Supply. I am going to read now what he is quoted as having said:

> Principal problem facing an "all-out" cargo and warship construction programme in Canada, which would involve establishment of new shipyards throughout the dominion, is the problem of finding the money for both ships and yards.

If that is the requirement, Mr. Chairman, and the building of ships is as urgent as we know it is—there is no question about that—I say that the government has not put forth a full effort in obtaining ships from Nova Scotia. The Minister of National Defence for Naval Services has criticized the people of Nova Scotia and the shipyards of that province because they have not built ships of foreign wood. There is a feeling among the shipbuilders of Nova Scotia, in the shipyards, that this government does not want them to build ships; otherwise specifications would be drawn up calling for materials that are native to Nova Scotia, such materials as Nova Scotians have been using in years long gone by in the building of ships that were able to weather the storms of every ocean. The shipbuilders of Nova Scotia, however, are now being asked to build ships from foreign woods, southern woods such as mahogany and teak, and even from British Columbia, rather than from woods native to the province. If the government were doing its full part in encouraging the people of Nova Scotia to build ships such as they are capable of building, and as I believe they wish to build in their desire to discharge their patriotic duty, then the government, in justice to Nova Scotia, would draw up specifications calling for materials which are available in that province and out of which the shipbuilders have been constructing ships for a century or more.

I believe that this is due the province of Nova Scotia. Money has been available without stint for many other forms of war work, and war materials. There is no question about money, so far as the members of this house are concerned, if that money is to be used for supplying the necessities of war. There is no question in the minds of members of this house about the supplying of money if the government asks for it for the purpose

of building ships in Nova Scotia or anywhere else. As one hon. member has already said, it is not so much a question of money as it is a question of ships. This parliament and the people of Canada will provide the money if the government will do their part and get every shipyard busy which is capable of building ships, whether in Nova Scotia or in any other part of Canada. I say to the government: Listen to the call of Beaverbrook; listen to the call of every one who is familiar with the needs of our empire at this time and get ships built.

In my opinion, we should go further in Nova Scotia. A special appropriation should be made in order that steel plates might be rolled in that province. The capacity of the steel mills should be increased to enable us to produce materials out of which steel ships can be built, not only for the war but for use after the war, when the need will be great. The difficulty in Nova Scotia in much of its war work—and there is only a limited amount compared with what is being done in other parts of Canada—is that most of it will cease on the termination of the war and we shall have no new industries. I contend that a steel shipbuilding yard should be established in Nova Scotia. It should be started without a day's delay, and plates should be rolled in that province to enable us to do our part in the war and after. We should be put in the position of building ships after the war to replace the enormous tonnage that is being sunk every week.

I for one, coming from Nova Scotia, and speaking, I believe, for the people of that province, am not satisfied with the efforts of the government and the results they have obtained with respect to shipbuilding in that province.

Mr. HANSON (York-Sunbury): The fact of the matter is that the government has no national shipbuilding policy. I urged this on a previous occasion at great length. The government should take a long-term view of the question of establishing in Canada a national shipbuilding policy, so that we might, in a degree at least, recover our position as a great shipping country. I received no response from the Minister of Munitions and Supply except a detail later on of what had been done with respect to the building of these small war vessels. That is not the point of view the Canadian people are asking this government to take at the moment. It is all right to buy yachts in a hurry, to build corvettes for patrol purposes; it is all right to build mine-sweepers. But what we on this side of the house are urging, and what the people of Nova Scotia are urging, is a little vision on the part of the government on the question of a great national policy; that is to say, the establishment of a steel shipbuilding industry in Canada on the Atlantic coast.

Talk about the St. Lawrence yards! There are two yards in the lower stretches of the St. Lawrence for the building of 10,000-ton ships, but you could not bring 10,000-ton ships down from lake ports. Why in the world this government, with all the money that we have voted to them so freely, cannot have a little vision and establish a national shipbuilding programme in this country, I cannot understand. We can find money for everything else.

We can bonus wheat and summer-fallowing and all that. But here is something that would be a post-war industry in Nova Scotia. Why should it not be established at Sydney? Why should it not be established at New Glasgow? The minister says there is no yard there now. I tell him, the yard was there in the last war and could be reassembled at not very great cost. The people of Nova Scotia demonstrated in the last war that they could build steel ships of very large capacity. This can be done again, and I ask the minister to review the whole position in the interests of Nova Scotia and of the maritime provinces. Let us get back something of the position we once occupied in this country in relation to the sea. To take the attitude that the minister has taken with respect to Nova Scotia shipbuilding is to admit defeat before you start. I do not think the minister is a defeatist, but at the moment he is concentrating his mind especially on the immediate necessities of the occasion. I visualize something a great deal bigger than that. I wish the minister had the vision of the late William Pugsley who started the whole idea of building steel ships in Canada.

Mr. GARDINER: And the Tory government killed it.

Mr. HANSON (York-Sunbury): Well, he took a long time dying.

Mr. GARDINER: They killed the policy.

Mr. HANSON (York-Sunbury): No, the Tory government did not kill the policy. If there was any criticism of the policy, it was that it started a little too late. The Tory government did not kill it as quickly as this government killed the Canadian government merchant marine, which they sold after 1935 for a song. What an asset it would be to-day if we had some of those big transatlantic vessels.

Mr. KINLEY: I think the bargain was made before that.

Mr. HANSON (York-Sunbury): No, the bargain was not made before 1935; the offer was made before and was refused. I know what I am talking about because I was connected with the whole matter in 1935.

I ask the government to review this whole position. Let the minister see if he cannot take a little longer view with regard to this national shipbuilding policy. Some day, if we have vision and energy enough, we shall have in the maritimes again a great shipbuilding industry such as that which put Nova Scotia on the map. It can be done. It takes money; it takes imagination; it takes brains. I should not like to think that Nova Scotians have lost all these attributes that made them famous in days gone by. It is true that Nova Scotia has exported a good deal of its brain power, some of it to Ontario, but there is plenty left in Nova Scotia yet.

I had the honour of addressing the Commercial club in Halifax last summer, and I adverted to this very matter. The people of the maritime provinces are being given by time and circumstance one last opportunity to come back. And they can do it. We have not exported all the mentality for which we were famous in days gone by. It is true we supplied the banks and the prominent pulpits in Canada, and many other high positions, with the best men they ever had in those positions, but we still have a good many left. We can build up a national shipbuilding policy and thereby we will regain the position which we once occupied and which we should never have lost.

Mr. RYAN: Up to the present time we have been discussing this bill in terms of money and aeroplanes and shipbuilding and so on. In the few minutes I am going to take up I am going to refer to the human element. In my constituency of Three Rivers is located a machine gun training centre. The men who compose that company or regiment came from different parts of Canada. I understand that quite a number of them came from Ontario, some from the maritime provinces and some from my own province. When men misconduct themselves or do not behave properly, we are always ready to find fault; but when men conduct themselves as men should, we pass it by and do not refer to it. I wish to commend the conduct of those men in that machine gun training centre in my county and say that they are an honour to their fathers and mothers and to the government, and, I should say, a source of great satisfaction to the Minister of National Defence. During the time those men have been in our city I am happy to say there has not been a single complaint by the police department or any citizen with regard to their conduct when they come down to visit the city. I think we should refer to the men and their conduct more often than we do. There are men located all through this country giving their time for very little money, and when we have anything good to say about them we should say it. It is my pleasure to-night to be able to say this about these men.

I wish also to give credit to the commanding officer, Colonel D. S. Forbes, late of McGill university, Montreal. Much of the credit is due to Colonel Forbes. According to my judgment he is a human being, one whom the uniform has not spoiled. He understands his men and does everything he can to set them a good example.

While I am on this subject I wish to refer to another matter. That machine gun training centre is located, I believe, at one of the best locations that can be found anywhere in Canada. It is a splendid site on a hill above the city; the soil is sandy, and in 1938 there was built in these exhibition grounds new buildings at a cost of a million dollars. There is a splendid swimming pool there; I do not think there is the like of it in Canada, or any better. There is a splendid baseball field and excellent grounds. The city of Three Rivers has rented that property to the defence department for a dollar a year for the duration of the war.

In conclusion, the city of Three Rivers will always be ready to receive men from different parts of Canada who will conduct themselves like the men who are there to-day.

Mr. ADAMSON: May I ask the hon. member a question? It was a Highland light infantry unit, a Scottish regiment, of which he was speaking?

Mr. RYAN: I believe so, yes.

Mr. KINLEY: I was interested in the speech of the hon. member for Cumberland and also the remarks of the leader of the opposition who intimated what Nova Scotia would like to be industrially. There is something in what he said about our Vision and Energy. For generations we have been putting our best men into the intellectual professions and neglecting the material development of our country. We must get back to material things and be practical if we want to succeed in industry.

It has been my privilege during the last few weeks to talk several times with the Minister of Munitions and Supply about shipbuilding in Nova Scotia and on Canada's eastern coast. I believe he is alive to the situation; in fact, I think at this moment his technical men are

on the eastern coast reviewing that situation in the interests of Nova Scotia and of the national war effort. I have no doubt there was difficulty, due to some extent to the red tape that always prevails in some measure in connection with government business. We must also not forget that most of these boats were for the British Admiralty; it is not easy to induce them to change their plans, and it may be that they decided too late to change, after the orders had been refused by certain shipbuilders, but I think that has all been overcome.

Hon. members must remember that the shipyard in Lunenburg had at the time plenty of private marine contracts; that is, contracts for the fisheries and mercantile marine, not directly connected with the war effort, but of national importance. That is true also of the Shelburne shipyards, which were busy with vessels for the coastal trade. It must be remembered also that some yards were held up because their financial position did not justify giving them contracts under existing conditions. It seems to me these yards could and should have been helped. I understand efforts have been made to get the banks to help, and I believe progress has been made in that regard. I understand that in my hon. friend's county of Cumberland, a couple of mine-sweepers are being built. Perhaps with a review of the situation, with a settling of the difficulties as between the ideas of the shipbuilders and those of the technical men, who are not always right, we may arrive at some common understanding which will permit of the construction of wooden ships of a size which will allow them to be used for certain war activities, as well as ships for the usual trade of the country.

We have heard much about these Fairmile boats. We were told they were more expensive to build in Nova Scotia than in other parts of Canada. The Fairmile boat is of two-ply mahogany with canvas in between, and that type of construction was an innovation in Nova Scotia. These are high-powered boats formerly built on the great lakes for sportsmen, and when one undertakes the construction of new types of boats, it is pretty hard to get men into such a hazardous business, where there is a great deal of depreciation in connection with the installation of equipment which, after the war will be a total loss. These men must consider the matter very carefully. However, one builder, and he is a good one, gave a tender in line with other parts of Canada.

I do not think we should make shipbuilding in any part of this country a matter of political preferment, but shipbuilding is natural to Nova Scotia. So far as I am concerned, I am here to do what I can to promote shipbuilding on the coast. I know that the ministers and officers of this government have gone a long way in trying to meet the situation that now exists, but if we are going to have shipbuilding carried on in Nova Scotia, somebody must wake up. I hope this discussion may help to bring that about.

Mr. DOUGLAS (Weyburn): To-night we have heard a strange principle enunciated by a minister of the crown. When he is asked why we do not mobilize an industry in order that it may produce, he says we do not intend to gestapo people into producing something if they do not want to produce it.

Mr. MACDONALD (Kingston City): When the production is sufficient already.

Mr. DOUGLAS (Weyburn): Perhaps the minister will just remain seated; he is not in another place now. Last year this parliament passed the National Resources Mobilization Act, which this house was told gave the government power not only to mobilize the man-power of Canada for the defence of Canada but to mobilize labour and industry if industry was not doing the job it was supposed to do. This government was given power to mobilize and organize the instruments of production by which this country might make its maximum war effort. What do we find to-night? The minister says we ought to stick to something we know something about.

Some hon. MEMBERS: Hear, hear.

Mr. DOUGLAS (Weyburn): I was born and raised on the Clydeside, the greatest shipbuilding area in the world, and I know something about it.

Mr. REID: But did you work at it?

Mr. DOUGLAS (Weyburn): I know a little about shipbuilding, and I wish to say that this country has a right to something better than ministers rising in their places in the house and saying they do not know why certain things are not being produced. A few weeks ago the Minister of Munitions and Supply was questioned with regard to the Malton aircraft plant and the fact that it had a very large labour turn-over. He replied that there was something wrong, but he did not know what it was. To-night the Minister of National Defence for Naval Services tells this committee that the government wants ships, but that of twenty-five contractors in Nova Scotia only three submitted bids. When the question is quite properly put to him, "What is wrong," he shrugs his shoulders and says it might be this or it might be something else; he does not know just what is wrong. Then, when he is asked, "Why not mobilize

this industry so that if it is not functioning efficiently now, it may function efficiently in the future," his only answer is that he does not propose to gestapo people into production.

I am going to tell the minister that the people of Canada will demand that any industry not functioning at one hundred per cent efficiency shall be taken over and organized to overcome that difficulty. The minister's statement to-night is that of a defeatist. To-day in the United Kingdom people are rationed to an extent that when one reads what they are allowed to eat, it is enough to make one shudder. In Canada we have an abundance of every type of foodstuff; bacon, live stock products, dairy products, wheat and so on. There are our cousins across the sea needing food in order that they may live. Here we have an abundance of it, and the only thing lacking is that bridge of ships for which Beaverbrook is calling, for which Churchill has been calling and for which even the President of the United States has been making a heroic plea. When the members of this committee ask the government, "What about ships?" all we get in reply is the statement that for some reason or another these shipyards will not produce, that they will not even bid. If they will not produce, it is the minister's business to know why that condition exists, and to see to it that they do produce. If they will not produce under their own steam, it is the business of this government to mobilize them and put them to work. Any minister who comes into this house with a set of excuses as lame as that ought either to give somebody else the job or to get to work at it himself.

Mr. MACDONALD (Kingston City): I should like to ask the hon. member for Weyburn, first, whether when he refers to the shipyards of Nova Scotia and those of Canada generally, he is speaking of cargo ships or ships of war. I did not follow him with sufficient accuracy to know whether he was speaking of warships of one kind or another or of cargo ships.

Mr. DOUGLAS (Weyburn): The minister is not going to inveigle me into a technical argument. I am speaking of producing bottoms to the maximum capacity of these yards. The minister himself said they were capable of producing bottoms; otherwise they would not have been asked to bid. They must be capable of producing bottoms either to carry cargo or for patrol purposes; and when the government gave them an opportunity to put in bids and they did not do so, then it was the duty of the government to find out why they were not bidding for the work they could do.

Mr. MACDONALD (Kingston City): I gather, then, that the hon. member for Weyburn is referring to both classes of ships, to ships to be used for fighting purposes, ships for the Royal Canadian Navy or the British navy, as well as ships for cargo purposes. That, I take it, is the sense of the last remark by the hon. member. That being the situation, I should like to ask my hon. friend another question, and it is this: Does he, with his experience gained on the Clyde, know of any shipyard in Nova Scotia to-day that is capable of turning out a cargo ship?

Mr. DOUGLAS (Weyburn): The minister is a much better lawyer than he is a minister of the crown. He does not have me on the witness stand.

Mr. HANSON (York-Sunbury): You are right.

Mr. DOUGLAS (Weyburn): I do not claim to be an authority on Nova Scotia shipyards. I take the minister's own statement that there were in that province twenty-five contractors who were capable of producing ships.

Mr. POTTIER: He did not say that.

Mr. DOUGLAS (Weyburn): Why does he refer to it, then?

Mr. KINLEY: A certain kind of ships, not iron ships.

Mr. DOUGLAS (Weyburn): If they could not produce ships, then there is no point in the minister's blaming them for not putting in bids. If they were capable of putting in bids, then they were capable of producing ships.

Mr. MACDONALD (Kingston City): My hon. friend's knowledge of this subject is extremely vague and hazy. In the first place, as I said before, there is to-day in Nova Scotia no yard that is capable of turning out an Atlantic cargo ship—except one, and that yard is fully engaged in repair work. That settles the question of cargo ships.

Mr. HANSON (York-Sunbury): No, no.

Mr. MACDONALD (Kingston City): When I was dealing with shipbuilders in Nova Scotia I was referring to builders who had been asked to build vessels for the Royal Canadian Navy or for the Royal Navy. Some of those builders failed to build, and the work was given out elsewhere. I may say to my hon. friend that we are not ordering 10,000 ships, or anything of that sort for the navy. We had what is, after all, a limited number of the naval type of ship. When some of the Nova Scotia builders either failed to put in bids or failed to fulfil their contracts after contracts were entered into, the work was assigned elsewhere.

There are ample yards in Canada to handle all the ships of war that we want to build at this time. That is the answer to my hon. friend.

Mr. HANSON (York-Sunbury): And it was a limited programme, was it not?

Mr. MACDONALD (Kingston City): It was a relatively limited programme. There is no question in the world of any hold-up because the builders in Nova Scotia did not undertake the building of these Fairmile ships or the wooden mine-sweepers. There were yards on the St. Lawrence, in British Columbia and elsewhere which were only too delighted—more than delighted—to take up the work which some of those people in Nova Scotia refused to do.

I do not think I need say any more to the hon. member for Weyburn. They cannot build cargo ships in that province to-day. They do not have the yards. They have been given an opportunity to build warships of one kind or another—the smaller types. When some of them failed to take advantage of that opportunity, the work was put elsewhere, in other parts of Canada, with very little delay of any sort. I do not think there is any more need to answer my hon. friend who comes in here and talks about conscripting yards, and about my statement as to driving these people into the building of ships. Why should we drive the builders of Nova Scotia into building ships when there are dozens of other yards in Canada waiting to undertake the job? Is there any reason why we should say to the builders of Nova Scotia, "You must build that ship, whether you like it or not", and perhaps lose money on it—or at any rate they probably thought they would lose money on it—when there is another builder in another part of Canada ready, waiting and eager to undertake the work? And I would say, furthermore, to my hon. friend—

Mr. DOUGLAS (Weyburn): May I answer the minister? The point is this, that if those Nova Scotia shipyards could build corvettes, they could be used for that purpose, and the other shipyards to which the minister referred could be used for cargo ships, which are so much needed.

Mr. MACDONALD (Kingston City): I am saying again to my hon. friend that there is not a steel shipbuilding yard in Nova Scotia—with one exception, and that one yard is engaged in the repairing of ships of all kinds. That is the Halifax shipyard. The corvette is a steel ship. There is in that province at this time no other yard capable of building steel ships, without at any rate some expansion in that yard. There are in other parts of Canada yards capable of taking on that work to the full extent of our requirements. Nothing has been lost by the policy of Nova Scotians with respect to the building of ships. It is not a case of our having to have ships, and, if a Nova Scotia builder did not take on the work, of our having to suffer. There are builders in the constituency of the hon. member for New Westminster. There are builders in the city of Vancouver. There are builders at Prince Rupert.

Mr. HANSON (Skeena): We have a modern dry dock, government-owned, at Prince Rupert, working only half time.

Mr. MACDONALD (Kingston City): There are builders in dozens of places in Ontario and all along the St. Lawrence river ready and anxious to take on the work that these Nova Scotia people did not undertake.

Mr. DOUGLAS (Weyburn): We want them all used; that is all. We are not saying that other yards are not to be used. The point is that we want all of them used. If Nova Scotia can be used for one type of ship, namely, large wooden ships, it would release steel shipyards for the production of other types, particularly cargo ships.

Mr. REID: They had their choice of two types of ships.

Mr. MACDONALD (Kingston City): So far as ships of war of any kind are concerned, there is at this time no shortage in Canada of building facilities. The great problem in this country so far as the Royal Canadian Navy is concerned, within the year, will be to train men rapidly enough to keep up with the ships of war. That will be the problem. As I said the other day, the training of officers in the navy is not a matter of a day or two, or a month or two; it is a matter of years. A navy as we had it at the beginning of the war—a navy, I may tell the hon. member for Weyburn, that was kept down to that strength partly as a result of representations which he and his associates made—you cannot take an organization of that sort, a navy of 1,700 men, and build it up to 25,000, as it will be in early 1942, without doing some very stiff and hard work. The problem is going to be to get the trained personnel to man the ships of the Royal Canadian Navy—not to get the ships. The shipyards of Canada have not failed in one instance. They are on the job,—and ahead of the job. The programme of shipbuilding which was destined to last until the late months of 1942 is going to be finished in the late months of 1941, thanks to the efficiency, skill, loyalty and patriotism of the shipbuilders of this country.

Mr. DOUGLAS (Weyburn): Does the minister know of a single military or naval vote brought down by this government which was reduced by the house?

Mr. MACDONALD (Kingston City): I say that my hon. friend and his associates were foremost in this country, and have been for many years, in opposing defence estimates of one kind or another. If my hon. friend had had his way, we would not have a Canadian ship on the sea to-day. His party sat in this house in 1939 and said that we should not send a single man overseas. That was their idea of loyalty. I am telling him now that if he had had his way, there would not be a single man in the Canadian navy, and there would not be a single ship on the sea, because when a man enters the Royal Canadian Navy he volunteers to do service in any part of the world where duty calls him. This is the hon. gentleman who now comes to this house and attempts to say that I would be better as a lawyer than as a minister of the navy. I will tell my hon. friend that if he cannot make a better show in his argument than he made to-night, then he had better turn to some other pursuit, and stay there.

It has been suggested by the leader of the opposition and by the hon. member for Cumberland that the attitude I have adopted with regard to Nova Scotia shipbuilding is a defeatist attitude. That phrase was coined or used, I believe, by a newspaper in Halifax whose editorials lately on the question of shipbuilding have been remarkable for what they did not contain. They have been referring to the attitude of people who faced the facts and told the facts to the people of Nova Scotia, and have described that attitude as defeatist. I have done as much for Nova Scotia as most men who have spent a similar number of years in public life. There has never been a time in the years I sat in the legislature of Nova Scotia when I did not devote every energy I had to the development of the industry of that province. But I never told the people of Nova Scotia at any time, and I am not going to tell them to-day from this chamber, things which are not so. I am not going to tell the people of Nova Scotia that the blame is with the Department of Munitions and Supply, or that it is due to some specification or to some kind of wood which is used in the ships, when I know that is not the real reason.

The leader of the opposition referred to the spirit of the people of the maritimes, and expressed the hope that it might be revived. I have wondered whether the spirit of Nova Scotian builders and shipping interests is what it was three quarters of a century ago. I doubt very much whether the grandfathers of these men, the old fellows who were building ships in the fifties and sixties and seventies of the last century, would have taken second place to any province or any country in the world when it came to building ships cheaply, efficiently and speedily. Nova Scotia in the middle of the last century had a greater tonnage on the seas of the world, per capita, than any other country. Its ships were on every sea; its captains and its sailors were known in every port. But I doubt whether some of the shipbuilders of to-day have the spirit of their fathers; and when people, in this chamber or in the press of this country, lay the blame for the non-existence of shipbuilding in that province on factors which have very little to do with the situation, I think it is time that somebody spoke out and gave the real facts.

Mr. NICHOLSON: What is wrong with the builders?

Mr. MACDONALD (Kingston City): The hon. member for Queens-Lunenburg mentioned that the specifications for the Fairmile boats and the mine-sweepers were British specifications. That is absolutely true. Some of these boats were destined for the Royal Navy, and we had no other course than to comply with those specifications. If they wanted us to build boats of silver we should have to try to do it, or throw up the sponge. They wanted mahogany; they wanted teak, and there is no country in the world which can build warships of any kind as well as the people of Britain can do it. When they asked us for Fairmiles with mahogany decks or planks and with teakwood here or there, there was nothing for us to do but to accept their specifications and build ships in accordance with those specifications.

I do not know whether the leader of the opposition is suggesting the establishment in this country of a government mercantile marine. If he is, that is a suggestion which perhaps is worth considering.

But I say again, so far as ships for the Royal Canadian Navy are concerned, ships of war, there is no lack of capacity in Canadian yards.

So far as cargo ships are concerned, although I should prefer the Minister of Munitions and Supply to make this statement, because I am altogether out of my own department, I know of no shortage in that regard; I know of no shipyard in Canada which is turning away work; I know of no danger of having our existing yards overburdened. Under these circumstances the point upon which I should like the leader of the opposition to elaborate is whether he believes that the government should now undertake, in addition to all the work which is being given to the shipyards of this country, the establishment of

a Canadian mercantile marine, and whether, for that purpose, it should establish government shipyards. If that is what he means, it is, as I say, a suggestion perhaps worthy of some consideration. But up to the moment, whether in respect of cargo ships or ships of war, I am aware of no lack of capacity in Canadian yards, and certainly there is no lack of willingness or zeal on the part of Canadian builders to undertake any task which the government, or, indeed, any private individual, sets before them in furtherance of this country's war effort.

Mr. HANSON (York-Sunbury): I accept without reserve the statement of the minister that, so far as the limited programme of shipbuilding which the Department of Munitions and Supply have instituted, is concerned, there is no lack of capacity in Canada. But the Minister of Munitions and Supply, when we discussed this matter on an earlier occasion, and he was pressed to expand the programme of shipbuilding in Canada, put the position on an entirely different basis. What he said was that there were no skilled workmen in Canada. It was not a question of capacity but a question of ability to perform upon which he made his defence for not doing more than we were asking him to do. I suggest that the two stories do not jibe: I am going to leave it there.

There is involved in this a larger question to which the minister adverted just before he resumed his seat. I want the ministry to explore all possible avenues of building up in Canada a commercial shipbuilding industry. It has started on the Pacific coast; it has not flourished on the Atlantic coast. Now, when ships are needed, is the opportunity to get this programme going on a commercial basis. Whether it shall be done as a government-owned, a government-operated or a privately initiated enterprise, is a matter for grave consideration. I do not mind telling the minister that, so far as I am concerned, I would prefer, after the matter is gone into thoroughly and given the best consideration that the authorities and the technical men can give it, as to ways and means, that the decision should be that it should not be a government-owned or a government-operated project. What I visualize is a commercial enterprise which may be assisted by the government, in the establishment of yards, and in the construction of a plate mill on the Atlantic coast. It is not beyond our powers to do this, and it should be started now if we as a nation are to reap any of the benefits of it and to give Great Britain the assistance which an all-out war effort on the part of this country requires, and for which our people are calling in accents louder than I can use. That is what I am asking the ministry to visualize and to consider. We will support them in any well-thought-out enterprise.

What can be done on the Pacific coast with respect to steel shipbuilding surely can be done in Nova Scotia and New Brunswick. I do not believe that all the initiative has as yet gone out of Nova Scotia. I learn that some of our friends in Nova Scotia find it difficult to get this government interested in Nova Scotia enterprise, and I can tell the minister of a specific case. It took months to convince the Department of Munitions and Supply that munitions could be made at Trenton, in the county of Pictou. I know that the manager of the Trenton plant was in Ottawa and spent days and weeks in trying to get an order. He never did get an order from this government, but he got one from the department for the account of the British government. He had infinite trouble in getting it. I do not know the reason, and I am not going to allocate any blame. There may have been a very good reason why he could not get an order for munitions for the plants in Pictou county, but he himself told me of the difficulties and discouragements which he had encountered. Finally he did get an order, for the account of the British government, made, of course, through the single purchasing channel. I approve that principle, because I do not think it would be wise to have two competing agencies in Canada for this type of work; the principle which has been set up by the Minister of Munitions and Supply and his advisers is a sound one; but there has been some difficulty—I will not say resistance—in the working out of the principle.

The only reason why I rose again was that the minister rather invited me to give my opinions with respect to the question of commercial shipbuilding. That is the one I am interested in. I do not think for one minute that with the lack of technical men in Canada we can hope during this war—and I do not think we shall want to do it after this war—to build naval vessels of any size and power that cannot be far better built in Britain than we could do it here even in times of peace.

Somebody may say: They can build cargo ships over there better than we can build them in Canada in times of peace. That may be true. The first cost of establishing a shipbuilding enterprise in Canada will be heavy. It will cost us more here, I have no doubt; but I do not think it will be 100 per cent more, as the Minister of Munitions and Supply suggested the other day. I believe that, as time goes on, and we understand things better,

the costs will be reduced. There is an opportunity, if we have the vision as a people, as a government, and as a parliament, and if we make an appeal to the commercial enterprise of our citizenship, to establish in the provinces by the sea a commercial shipbuilding enterprise. That is what I invite the minister and his colleagues to give their attention to from now on so far as it is possible for them to do so. I want to see it started now in order that we may have a post-war industry that may be a continuing industry, so that Canada will get back on the map once more as a seafaring country as we were in days gone by. It is not beyond the realm of possibility at all. It is, on the contrary, well within the range of possibility. All we need is vision and energy and the spirit to go ahead and do it. Once we get going, we can build ships as cheaply as they can build them in the United States. Let me say to the minister that "without vision the people perish." We must have a little more vision in the maritime provinces.

Mr. MACDONALD (Kingston City): And private enterprise.

Mr. HANSON (York-Sunbury): I agree that we must have private business enterprise. I do not believe that everything should be left to the government. As a matter of fact, one of the great evils in Canada to-day, and for many a day past, has been this spirit of: Oh, let the government do it. We must snap out of that sort of thing. We must get down to encouraging private initiative. That is one of the things that appeals to me under the capitalist system. If you destroy—and now I am looking at my hon. friends to my left—the principle of private initiative in Canada and come to leaning and depending upon paternalism, God help this country.

Mr. BLACK (Cumberland): Mr. Chairman, one statement just made by the Minister of National Defence for Naval Services I cannot agree with. He said that the men of to-day in Nova Scotia are not the equal of their grandfathers. They may not have the experience in shipbuilding, but I believe that if the responsibility is placed upon them, they will prove worthy of their forebears.

It is agreed that the need to-day for ships is greater than in the last war, and the effort being put forth at the present time in building ships in Nova Scotia does not compare with what was done there in the last war when there were in that province scores of shipyards building wooden ships. There has been a tremendous development in the use of diesel engines, so that the wooden ship is to-day far more serviceable than it was in the last war.

Nor is Nova Scotia doing to-day what she did in the last war in building steel ships. A new shipyard was established in Pictou county and several large steel ships were built in the last war. Plates and frames were rolled there to build these ships. During the last war several million dollars were expended in Sydney to roll plates in order that ships might be built in Nova Scotia, but that plate mill is not operating at this time. There is no comparison between the need for ships to-day and in the last war, nor is there any comparison between what has been done to enable Nova Scotia to build ships to-day and what was done in the last war.

Mr. POTTIER: My constituency is a wooden shipbuilding constituency, and I would hate the impression to go out that we have not been building some ships. We have built seine boats and speed boats of various kinds and scows for the government.

I cannot agree with the hon. member for Weyburn when he says: Mobilize those shipbuilders and tell them what to do. If that is the spirit of the west, it is not the spirit of the maritimes. Our shipbuilders do not need to be told what to do.

Mr. DOUGLAS (Weyburn): Apparently they do, according to the minister.

Mr. POTTIER: The difficulty with regard to mine-sweepers has been largely one of finance or occupation on other projects. As I stated in the house the other day, in my constituency or in the constituency adjoining we have an order for two Fairmiles and four mine-sweepers, and we would have undertaken to build more mine-sweepers but for the fact that some of these family shipyards have not the financial resources to go ahead and take a chance on losing from $50,000 to $75,000 or are busy on other work. Their financial build-up is, I think, being remedied. I personally have been working for months trying to get people interested financially and endeavouring to work up enthusiasm, but until sufficient enthusiasm and finances have been developed, we are going to have the situation we have at the present time.

Section stands.

Progress reported.

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

Wednesday, April 2, 1941.

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

TREASURY BOARD

Mr. DESMOND:

1. What ministers of the crown are members of the treasury board?

2. Who is the secretary of the treasury board?

Mr. ILSLEY:

1. Minister of Finance, Chairman; Minister of Justice; Minister of Mines and Resources; Minister of Agriculture; Minister of Trade and Commerce; Minister of National Revenue.

2. W. C. Clark, Deputy Minister of Finance.

PURCHASE OF VESSEL "WINCHESTER"

Mr. ROY:

1. Has the government purchased, directly or indirectly, a vessel named *Winchester*?

2. If so, (a) from whom; (b) upon whose recommendation; (c) at what price; (d) where was delivery made?

Mr. HOWE: The vessel *Winchester* is one of the fifteen ships referred to by the minister, page 1621, *Hansard*. It is not in the public interest to give details of this purchase.

WHEAT SHIPMENTS VIA HUDSON BAY ROUTE

Mr. DESMOND:

1. How many bushels of wheat have been shipped by the port of Churchill in each year since the completion of the Hudson bay railway?

2. What is the total tonnage shipped via the port of Churchill in each year since the completion of the Hudson bay railway?

Mr. MacKINNON (Edmonton West):

1.

Period August to October	Bushels
1931	544,770
1932	2,735,939
1933	2,707,879
1934	4,049,871
1935	2,407,000
1936	4,293,501
1937	603,982
1938	916,913
1939	1,772,460

2.

Period August to October	Long tons
1931	nil
1932	81,566
1933	72,825
1934	132,876
1935	72,220
1936	114,998
1937	16,177
1938	245,560
1939	47,474

TAX COLLECTIONS BY PROVINCES

Mr. RAYMOND:

1. What is the total sum collected during 1939 in each of the provinces from the following sources, (a) income tax; (b) sales tax; (c) customs; (d) special excise tax on importations?

2. How many persons in each province paid income tax in 1940 for the year 1939?

3. What is the total sum collected in each province from July 1, 1940, to February 1, 1941, from the national defence tax?

Mr. GIBSON.

1. Provinces	(a) Income tax	(b) Sales tax	(c) Customs import duty	(d) Special excise tax on importations
		Calendar year 1940		
Nova Scotia	$ 3,517,357 48	$ 2,912,329 97	$ 3,408,135 92	$ 42,014 84
Prince Edward Island	822,577 57	101,131 57	111,198 36	301 08
New Brunswick	2,116,658 15	2,019,817 42	3,345,936 57	19,108 72
Quebec	52,880,914 67	55,921,970 92	36,583,762 04	390,365 93
Ontario	102,652,438 01	93,432,819 61	75,708,039 22	437,491 25
Manitoba	6,415,407 87	5,521,538 96	4,924,379 64	30,223 26
Saskatchewan	1,156,187 91	1,351,550 86	1,494,638 71	3,716 32
Alberta	4,325,720 92	2,763,342 24	2,268,841 83	8,796 59
British Columbia	15,287,893 77	7,817,572 00	11,193,563 13	99,447 24
Yukon	189,385 82	37,383 05	70,919 85	22 00
Head Office	3,386 00	.....	.....	.....
Totals	$189,367,928 17	$171,879,456 60	$139,109,415 27	$1,031,487 23

2. Provinces	Individuals	Corporations	Total
Nova Scotia	9,864	401	10,265
Prince Edward Island	895	216	1,111
New Brunswick	5,808	377	6,185
Quebec	76,278	5,125	81,403
Ontario	127,353	7,053	134,406
Manitoba	16,012	966	16,978
Saskatchewan	8,049	380	8,429
Alberta	13,768	754	14,522
British Columbia	33,728	2,338	36,066
Yukon	1,342	8	1,350
Totals	293,097	17,618	310,715

3. Provinces	National defence tax
Nova Scotia	$ 582,076 66
Prince Edward Island	22,757 26
New Brunswick	385,953 43
Quebec	4,688,995 51
Ontario	10,274,808 22
Manitoba	1,062,273 74
Saskatchewan	346,180 26
Alberta	731,067 63
British Columbia	1,969,274 85
Yukon	34,054 68
Total	$20,097,442 24

Note—The deductions of national defence tax made by public debtors during one month are not remitted until on or before the 15th of the following month. Consequently these figures, which indicate the collections received up to, and including, the month of January, 1941, represent the deductions made by public debtors in the months of July, August, September, October, November and December, 1940, i.e. six months.

SALES TAX

Mr. BOUCHER:

1. When was the sales tax first imposed?

2. What was the amount of the tax imposed at that time?

3. On what dates have changes been made in the amount of the sales tax, and to what amount was the tax changed in each instance?

4. What revenue has been produced by the sales tax in each fiscal year since it was imposed?

Mr. GIBSON:

1. May 19, 1920.

2. One per cent.

3 and 4. Statement attached:

Rates of Sales Tax from 1920 to Date

May 19, 1920, to June 16, 1920—1 per cent on sales by manufacturers, on sales by wholesalers, and on imports.

June 17, 1920, to May 9, 1921—Domestic Sales: 1 per cent on sales by manufacturers to wholesalers, and on sales by wholesalers; 2 per cent on sales by manufacturers to retailers or consumers. Imports: 1 per cent on imports by manufacturers and wholesalers; 2 per cent on imports by retailers or consumers. Tax payable by purchaser to manufacturer or wholesaler.

May 10, 1921, to May 23, 1922—Domestic Sales: 1½ per cent on sales by manufacturers to wholesalers, and on sales by wholesalers; 3 per cent on sales by manufacturers to retailers and consumers. Imports: 2½ per cent on imports by manufacturers and by wholesalers; 4 per cent on imports by retailers and consumers. Lumber: 2 per cent on domestic sales and 3 per cent on importations. Tax payable by purchaser to manufacturer or wholesaler.

May 24, 1922, to December 31, 1923—Domestic Sales: 2¼ per cent on sales by manufacturers to wholesalers, and on sales by wholesalers; 4½ per cent on sales by manufacturers to retailers and consumers. Imports: 3¾ per cent on importations by manufacturers and by wholesalers; 6 per cent on importations by retailers and consumers. Lumber: 3 per cent on domestic sales and 4½ per cent on importations.

January 1, 1924, to April 10, 1924—6 per cent on sales by manufacturers or producers and 6 per cent on importations; 3 per cent on a restricted list, both on domestic sales and on importations.

April 11, 1924, to February 17, 1927—5 per cent on sales by manufacturers and on importations; 2½ per cent on a restricted list of commodities, both on domestic sales and importations.

February 18, 1927, to February 16, 1928—4 per cent on sales by manufacturers and on importations; 2 per cent on a restricted list, both on domestic sales and on importations.

February 17, 1928, to March 1, 1929—3 per cent on sales by manufacturers and on importations; 1½ per cent on a restricted list, both on domestic sales and on importations.

March 2, 1929, to May 1, 1930—2 per cent on sales by manufacturers and on importations; 1 per cent on a restricted list, both on domestic sales and on importations.

May 2, 1930, to June 1, 1931—1 per cent on sales by manufacturers and on importations; ½ of 1 per cent on a restricted list, both on domestic sales and on importations.

June 2, 1931, to April 6, 1932—4 per cent on sales by manufacturers and on importations; 2 per cent on a restricted list, both on

domestic sales and on importations; 2 per cent on a restricted list when produced or manufactured in Canada.

April 7, 1932 to March 21, 1933—6 per cent on sales by manufacturers and on importations; 3 per cent on a restricted list, both on domestic sales and on importations; 3 per cent on a restricted list when produced or manufactured in Canada.

March 22, 1933 to March 22, 1935—6 per cent on sales by manufacturers and on importations; 3 per cent on articles manufactured by the labour of the blind in institutions in Canada.

March 23, 1935 to May 1, 1936—6 per cent on sales by manufacturers and on importations; 3 per cent on articles manufactured by the labour of the blind, or the deaf and dumb, in institutions in Canada.

May 2, 1936 to date—8 per cent on sales by manufacturers and on importations; 4 per cent on articles manufactured by the labour of the blind, or the deaf and dumb, in institutions in Canada.

The yield from the sales tax by fiscal years since its inception, May 19, 1920, is as follows:

1920-21	$ 38,126,063 94
1921-22	61,518,751 13
1922-23	91,262,254 13
1923-24	100,990,076 90
1924-25	66,707,369 96
1925-26	74,025,093 31
1926-27	82,305,670 60
1927-28	72,100,224 12
1928-29	63,646,671 22
1929-30	44,858,701 20
1930-31	20,783,944 15
1931-32	42,392,610 31
1932-33	57,977,571 00
1933-34	63,223,607 40
1934-35	74,443,904 09
1935-36	81,178,184 44
1936-37	116,138,801 44
1937-38	141,863,248 24
1938-39	125,926,430 90
1939-40	141,121,363 91

NATIONAL REVENUE—WAR EXCHANGE TAX

Mr. BENCE:

What revenue has been produced by the war exchange tax since its imposition?

Mr. GIBSON: The revenue produced by the war exchange tax since its imposition to the end of February, 1941, amounts to $53,307,503.03. The returns for March are not in yet.

[Mr. Boucher.]

WAR EXCHANGE CONSERVATION ACT—SPECIAL TAX CREDITS AND ALLOWANCES FOR DEPRECIATION

Mr. DIEFENBAKER:

1. Have any agreements been entered into under the War Exchange Conservation Act, 1940, by the governor in council, with individuals, partnerships or corporations granting assistance by way of special tax credits and/or special allowances for depreciation or depletion under the Income War Tax Act and the Excise Profits Tax Act?

2. If so, what are the names of such individuals, partnerships or corporations?

Mr. ILSLEY:

1. None to date. Several agreements are now in various stages of negotiation. The War Exchange Conservation Act, Chapter 2 of the statutes of 1940-41, section 8 (2), provides for the tabling of all agreements in parliament within fifteen days of entering into such agreements, or, if parliament is not sitting, within fifteen days after the opening of the next session of parliament.

2. Answered by No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TRENTON, ONT., AIRPORT

Mr. STOKES:

1. Who has the contract for supplying bacon to Trenton airport?

2. Has the contractor to date supplied only Canadian bacon? If not, why not?

SALISBURY, N.B., AIRPORT SITES

Mr. HATFIELD:

1. What property or properties have been purchased in the parish of Salisbury, Westmorland county, New Brunswick, for airport sites?

2. What is the acreage of each such property so purchased?

3. From what person or persons was each such property purchased?

4. What amount was paid by the government for each such property?

5. What development has been made on each such property and to what use is such property now being devoted?

PUBLIC SERVICE EMPLOYEES

Mr. BLACKMORE:

1. How many persons receiving $1,650 or more per annum has the dominion government employed since the outbreak of war who were not domiciled in the Dominion of Canada at least one year before September 1, 1939?

2. What is the position of each?

3. What special qualification in each case justified his employment in preference to a Canadian?

4. What income is paid to each, whether as salary, living allowance, expenses or other form of payment?

5. What are the names of all employees in Canada on the government payroll who receive in excess of $6,500 per annum?

6. What is the amount each receives, the duties he performs, the qualifications he possesses and the length of service he has rendered?

MOTIONS FOR PAPERS

LETTERS PATENT TO GOVERNORS GENERAL

Mr. MacKINNON (Kootenay East):

For a copy of the letters patent, instructions and commissions issued to each governor general appointed since January 1, 1931.

CANADIAN NATIONAL ADVISORY COMMITTEE

Mr. MacKINNON (Kootenay East):

For a copy of the order in council of May 7, 1924, appointing the Canadian national advisory committee, together with any subsequent orders in council relating to such committee.

CANADIAN TEMPORARY GREAT LAKES-ST. LAWRENCE COMMITTEE

Mr. CARDIFF:

For a copy of the order in council appointing the Canadian temporary Great Lakes-St. Lawrence committee, together with any subsequent orders in council relating to such committee and any instructions issued to the members of such committee.

ACREAGE BONUS CLAIM OF W. S. HAWKES

Mr. FAIR:

For a copy of all correspondence, reports, letters, telegrams and other documents, dated during the year 1940 with respect to the acreage bonus claim of Mr. W. S. Hawkes, S.E. ¼ section 1-52-6-4.

Mr. FAIR: I should like to have this motion amended by inserting the words "and 1941 to date" after the figures "1940" in the third line.

Mr. SPEAKER: Carried as amended.

DARTMOUTH, N.S., AIRPORT

INQUIRY AS TO TILLEY REPORT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): May I express the pleasure we all have in seeing the Minister of National Defence for Air (Mr. Power) safely back in his seat after his tour of eastern Canada. As he has no doubt seen the Dartmouth airport, may I ask him if he has received the Tilley report thereon, and if so when we may expect to have it?

Hon. C. G. POWER (Minister of National Defence for Air): I have not yet received the report. The only answer I can make to the second part of the question is, I hope soon.

WHEAT

STATUS OF FLAX IN CONNECTION WITH POLICY RESPECTING COARSE GRAINS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): On Monday I asked about the status of flax under the agricultural proposals presented to the house the other day. The Minister of Agriculture replied that he hoped to have the regulations before council the next day. I should like to know whether an understanding has been reached, and, if the regulations have been approved, whether they can be tabled so that we may have an opportunity of looking them over.

Hon. J. G. GARDINER (Minister of Agriculture): The regulations have been before council and are in form to be brought before the house. I hope to be able to table them before the house closes this afternoon, and in order that the information may be available to hon. members I am arranging to have mimeographed copies placed in the post office boxes this afternoon.

INQUIRY AS TO POSSIBLE LEGISLATION RESPECTING POLICY FOR 1941

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. Does he propose to introduce any new or amending legislation to implement the announced wheat policy for 1941? If so, when may we expect it?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I am not just sure whether any new legislation will be necessary at the present time or not. The question is under consideration.

SHELL INSPECTORS

STATUS OF CERTAIN EX-SERVICE MEN FORMERLY EMPLOYED AT NATIONAL STEEL CAR PLANT

On the orders of the day:

Hon. N. A. McLARTY (Minister of Labour): I wish to make a very brief statement in connection with the suggestion made by the hon. member for Cape Breton South (Mr. Gillis) that I had been somewhat discourteous in not supplying him with information. I should like to advise of the circumstances that gave rise to the hon. gentleman's complaint.

Last evening the hon. member for Cape Breton stated that no answer had been given with regard to the situation of certain inspectors trained in the National Steel Car Corporation at Hamilton.

I had thought, Mr. Speaker, that the answer given in the course of debate completely covered the questions raised and had no indication from the hon. member that a further statement was required from me.

Reference to *Hansard* of March 19 last will show that after the hon. member had spoken the Minister of National Defence (Mr. Ralston) explained the reasons for setting up the intergovernmental inspection board and he said that while he was not familiar with the facts mentioned, and that the board conducts its own operations, he would bring the hon. member's representations to the attention of the board.

The Minister of National Revenue (Mr. Gibson) was familiar with the situation and dealt with it on page 1698 of *Hansard,* pointing out that the inspection board required to use more numerous inspectors and for this reason had opened a training school at the National Steel Car Corporation plant. It was understood that these men would not necessarily be employed in that plant and they had given an undertaking, on completion of their training, that they would go to any plant in the United States or Canada, to which they might be directed.

The question of jurisdiction was also raised but I considered that an answer had been given in connection with the question of the leader of the opposition (Mr. Hanson) as reported on page 1699 of *Hansard.*

Any statement I can make would be almost entirely repetition. However, any additional facts might be briefly these:

1. Twenty-one of those trained refused to leave Hamilton and rather than do so decided to be released.

2. Positions were offered them in a plant situated near Montreal and the board agreed to pay transportation expenses and allowance, both for the inspector and for his family and effects.

3. Later on an offer was made to transfer some of the inspectors to Lindsay but these refused to leave Hamilton, preferring to take chances of securing employment there.

4. No female help is called on to replace male inspectors. Women employed by the inspection board are not employed as inspectors but as examiners, whose duties are of a routine character.

I do not think there is anything I can usefully add to this statement.

[Mr. McLarty.]

WAR APPROPRIATION

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

The house resumed from Tuesday, April 1, consideration in committee of bill No. 25, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

The CHAIRMAN: We are considering clause 2. Shall clause 2 carry?

Mr. MacNICOL: I should like to add a little to the question of shipbuilding, which took up the time of the committee for some time last evening. Four types of ships were mentioned during the debate, but I got rather mixed up on account of the way in which the debate jumped from one type of ship to another and some of the evidence that came out.

The first of the four types mentioned was the Fairmile. I will not discuss that type except to say that, as most people know, it is a fast motor boat, developed, I believe, mostly on the Muskoka lakes, on Georgian bay and perhaps along the east and west coasts. It is not a large boat. As the minister said, teak and mahogany enter into their construction. I am not going to discuss that type of boat, but I do wish to say something about the other three types mentioned—the corvettes, the mine-sweepers and the cargo ships. Corvettes are now built, I believe, on both coasts and principally on the great lakes. I know they are at Toronto. I have seen them at Fort William, Midland, Collingwood and Kingston.

Mr. MACDONALD (Kingston City): On the river.

Mr. MacNICOL: At Kingston, at the foot of lake Ontario. The question was raised as to whether they could be made in Nova Scotia. In my judgment, they can be. As to whether the steel can be purchased down there, I am not sure, and it is about the production of steel, having in view a long range shipbuilding policy, that I wish to say a few words to-day.

There is at New Glasgow a mill that rolled steel. I have not been able to find out the thickness of the steel rolled there. I have been told it is a quarter of an inch, but that might not be thick enough for either corvettes or mine-sweepers. There is no reason, however, why the capacity of the mill cannot be increased in order to roll heavier steel if the government so desires. I have been informed that they roll only up to 50-inch plates, and that would not be wide enough even if it were thick enough for corvette

hulls. The plate rolled there will do for various parts of the ships—stays, keel base, and so on. The hull plates themselves used in corvettes are made out of 54-inch plates reduced to 51-inches. I believe that largely 60-inch plates are used in the construction of mine-sweepers; and, as regards the cargo boats, anything in smaller size would be used for stays, and all the other inside steel work. But the plate itself on the outside of the ship is usually anywhere up to 84 inches. I endorse what my leader, the minister and others have said in this matter. If it is possible to establish a long-range plan of operation in Nova Scotia for the construction of cargo boats, I would be in accord with that plan one hundred per cent.

For the next few minutes I shall confine what I have to say to Nova Scotia. I know there is a large steel plant at Sydney in that province. I used to know its capacity in earlier days, but I have forgotten what it was. I believe that at the time of the first great war the mill was satisfactory for the production of steel plate. It is my understanding that plate is not now being made at the Sydney mill. I have never heard of any reason why it could not be manufactured there. Of course we realize that climatic conditions enter into the construction of steel plate. Whether steel plate is not being made at Sydney because of climatic conditions I do not know, but if the government could further a long-range plan to reequip the mills at Sydney and New Glasgow to build plate of the size required for corvettes and mine-sweepers, and particularly for cargo boats, I am sure the house would be in accord.

Why is this not being done? Although I am not familiar with the set-up I do know the company making steel at Sydney either controls or is able to get all the iron it requires from Bell island, not far from St. Johns, Newfoundland. I have been there, and I know the situation. The iron available at that point is good, and the deposits are among the largest in the world. I believe they have in sight about three and one-half billion tons of iron ore. That ore can be easily taken out and shipped.

Mr. MACDONALD (Kingston City): All under water.

Mr. MacNICOL: Yes, all under water, but easily taken out and easily shipped. The facilities are excellent for loading the iron into cargo boats. The distance from Bell island to Sydney is not far, and it is a water route.

Then around Sydney I presume there are ample supplies of limestone, a factor essential to the production of steel. There are ample supplies of coal—again among the largest in the world. Nova Scotia, therefore, with its coal, its limestone easily obtainable and its iron ore easily transported, would be a natural place for the production of steel. So that if we are compelled, as we may be, to go into the building of cargo boats in a large way, it would seem that Nova Scotia would be a proper place in which to do it. Cargo ships can be built only on either coast and along the lower St. Lawrence in the provinces of Quebec, Nova Scotia and New Brunswick. Thousands of these ships will be required after the war, if indeed they are not required before that time. When we see our enemies scuttling their ships in the United States harbours we are led to the conclusion that they have at last determined that the only way they can beat the British empire is to prevent ships from arriving at the ports of the United Kingdom. It is for this reason no doubt that they are so anxious to destroy the ships of their own nationals in United States harbours.

It would seem therefore that the government must meet this problem and must decide with respect to a long-range production of shipping. In the event of its deciding on such a programme Nova Scotia and New Brunswick would be excellent places in which to build those ships. We know that in the Glasgow area the ships are all constructed along the river Clyde. There must be many equally excellent berths in the maritime provinces for the building of ships, and plants could be erected near those berths for the fabrication of necessary parts.

Then the question of equipment arises. In the constituency of St. John-Albert there is one of the finest brass manufacturing plants in Canada. I refer to the McAvity plant, one I have known for twenty-five or thirty years, and one which within my knowledge makes first-class equipment. So that in the maritimes they have at least one great plant, and there may be more, capable of supplying large quantities of the valve and fitting materials necessary to complete the building of the ships.

Of course Ontario is the great manufacturing province of Canada—and likely always will be, in spite of what anybody else may say. It is a province of which I am very proud. I am proud, too, of the business men in Ontario, and I am certain they would be able and willing to supply large quantities of the necessary equipment. They do now, in fact. They will be in a position to supply steel too when it is necessary to have it fabricated in sizes thicker and wider than those turned out in Nova Scotia. We ship steel from Ontario to all parts of Canada.

Then, in Ontario we build marine engines. I am not sure whether engines of the desired

size are made in Nova Scotia. Cargo ships are equipped with low-speed engines, capable of developing a propelling force of about ten to fourteen knots an hour, the speed of the ordinary convoy. Because of the comparatively low speeds required, the engines are not as large as they otherwise would be. No doubt they could be made in Nova Scotia. In any event they are now made in Montreal and Toronto. In my younger days the plant of the John Inglis company was not only a boiler plant but was known for its production of marine engines. I am told they are now manufacturing steamship engines again in that plant. If they are doing so I am certain the engines will be of good quality. It would seem therefore that there would be no difficulty in securing engines for the ships either in Toronto, or at points on the coast.

In my discussion of this long-range plan I now turn to the west coast. Within a hundred miles of Vancouver are iron deposits. I am told that limestone and coal are to be found in close proximity. I am told that they are not rolling plate on the west coast. If that is so, then I do not know why they are not, because it is being rolled farther down the Pacific coast, at Seattle, Los Angeles and San Francisco. The same could be done on the Canadian Pacific coast. I would suggest that in a long-range plan for the west coast there should be equipment to roll plate for themselves. What they cannot roll we in Ontario could supply.

I was happy to learn that yesterday the new steel plant at Hamilton of the Steel company of Canada, capable of rolling up to 100-inch plate, began operations. How much they rolled, or whether only a test was made, I do not know, but if it was only a test it would seem that they have reached the point of production. That is an important development in Canada. In addition to this plant there is the other great steel plant in Hamilton, Dominion Foundries & Steel Limited, which has been rolling plate for years. I am not thoroughly familiar with all their output, but I do know that they roll up to 78 inches. That would be plate of sufficient size for cargo ships.

We have in Canada, therefore, ample production capacity for everything entering into the building of a ship. Greatly increased demand may necessitate the production of steel plate in Nova Scotia and British Columbia, where the cargo ships will have to be built. The great lakes lend themselves particularly to the construction of the two smaller types, mine-sweepers and corvettes. There is ample capacity there to build anything required of these types. These ships are of a size that would go through the St. Lawrence canal. I believe that canal will take ships up to 250 feet, depending upon the construction of the bow and stern.

Mr. HANSON (York-Sunbury): Fourteen foot draught.

Mr. MacNICOL: A corvette draws no more than that light. The canal will take ships up to a width of forty-three feet, and the corvettes are under 200 feet long.

Mr. MACDONALD (Kingston City): One hundred and ninety feet.

Mr. MacNICOL: And the mine-sweepers?

Mr. MACDONALD (Kingston City): A little less.

Mr. MacNICOL: They are from 700 to 750 tons displacement.

Mr. MACDONALD (Kingston City): The canal would take those.

Mr. MacNICOL: They would not draw more than fourteen feet, provided they were sent through light. Of course, when they are fully loaded and equipped, they would draw more, but it is not necessary to load them on the lakes for the sea. I suggest that the government should have a long-range plan with a view to building the cargo ships which will be required after the war to replace those which will have been destroyed. This plan should extend across Canada from the east to the west. The amount of steel that is required is enormous. I am not familiar with the set-up for blasting in Nova Scotia, but I do know something of the Bessemer production and ships must have Bessemer steel. It is amazing how the demand for this type of steel has grown. I believe it was in 1854 when this process was invented by Mr. Bessemer, who later became Sir Henry. At that time England produced only 50,000 tons per annum, but now the United States alone produces anywhere from 50,000,000 to 75,000,000 tons per annum. Canada has a great opportunity. We have the coal; we have the iron ore, and where coal is not available, we have electrical energy. We are well equipped to build these ships. If I have said anything to encourage the government and the departments to set up a long-range shipbuilding plan across Canada, apart altogether from our war production, then I shall feel that I have done my duty.

Mr. CHURCH: This supplementary war appropriation bill is to provide $135,000,000 in addition to the $700,000,000 which was charged against the consolidated revenue fund on March 31, 1941. Nearly all these appropriations are handled by order in council without any additional legislation. Fifty-two

boards have been appointed by the government of the day to control man-power, food, munitions and the actual conduct of the war. In addition to this cumbersome list of boards, we have parliament with all its powers and privileges, and added to that we have eighteen public departments, each with its minister and deputy minister. Every day new boards are being appointed by order in council to spend more money. We have the advisory economic board which is supposed to be the brain trust, and in addition we have boards to deal with coal, fish, dairy produce, bacon and so on. Last but not least, of blessed memory, we have the rags, bones and bottle board.

This is the occasion when members of the house are able to ventilate their war grievances before this money bill is passed. This is a money bill, and it is when such a bill is being discussed that we are permitted to air any grievance regarding the conduct of the war. I am sorry we have not the same rule as they have in the British house. I have before me the British *Hansard* for December 3 last. Instead of a prolonged debate on questions like this, they have a question and answer period on matters of great national importance, almost every day, from a quarter to three until a quarter to four o'clock. During that time members may ask questions about the war, and supplementary questions also, cross-examining the ministry. In this particular *Hansard* eight pages are taken up in a discussion on the orders of the day, about the non-delivery of parcels. Such a procedure eliminates prolonging the debate from day to day. It is charged that parcels do not reach prisoners of war in Germany, and that a private agency fails to distribute them.

There are two or three grievances which I wish to mention while this bill is under discussion. The first has to do with a matter relating to the department of the Minister of National Defence. I have great admiration and respect for the three defence ministers and anything I say will be in the form of constructive criticism. We seem to have learned nothing from the great war. Take the record office for instance. The militia department cannot tell us how many soldiers enlisted from Hamilton or from Toronto. Toronto seems to have been the stamping ground for recruiting officers from the Pacific coast to Halifax. That is all right and I am not objecting to it, but we should be able to get information. Last July the city of Toronto was requested by the head of No. 2 district to allow an appropriation for three or four clerks for four weeks to go over the records to find out how many soldiers came from Toronto.

The record office should be up to date like any other department of government. The Canadian Pacific railway and other large corporations work on the unit system, but here we are in the second war and we are using the same old system. The municipality should be able to get this information because it is necessary to prepare for the time when the troops come home. The same thing applies to all the civilian departments. It took me three or four days to find out something about the federal revenue collections from the city of Toronto. I was not able to get it from the minister's department, but last evening the Toronto *Telegram* contained a report from the customs head of Toronto that over $93,000,000 had been collected in customs, about ten per cent of this being from a subsidiary port which is now tacked on to that city for some unknown reason. This is no way to conduct a public utility. It is high time there was a change in business methods. These departments should be conducted from the commercial aspect just the same as the railways and other large public corporations are conducted, and the amount of business done recorded on a unit basis.

Some of this money is to be used for the purpose of aiding the erection of munitions plants, but Toronto is not getting its fair share. The only plants we have are the Anaconda Brass, Massey-Harris, John Inglis, Dunlop Tire, Goodyear Tire, Hepburn, Dominion Bridge and a few others. Toronto is the logical site for munitions plants because it has a ready supply of raw materials, labour and power. The government is trying to conduct its business with old-fashioned methods. In the first years that Sir Wilfrid Laurier was in power, this country spent only $36,000,000 on maintenance and capital expenditures, but to-day we provide, by two bills, for almost a billion dollars to be spent by order in council. Yet we have the same old system which was used forty or fifty years ago.

We should have the unit system which is used by private corporations like the Bell Telephone and the railroad companies. That is how they conduct their business. The government has spent nearly $9,000,000 on public buildings in the city of Ottawa. I am not objecting to this expenditure, but this city is not of sufficient size to handle the volume of business in peace time, let alone in war time. In order that economy may be effected, some of these public departments should be removed to nearby cities. Then the ministers would be able to effect considerable economy which they cannot under the present system.

There has been an agitation in the other house to take some of the work off the shoulders of members of the Commons, and that is the proper thing to do. The other chamber could deal, for instance, with some of the soldier problems and have a committee sitting from day to day. In Great Britain they are doing a great deal of war work in the House of Lords, and the same is true of the senate at Washington. In Great Britain they have reformed their whole parliamentary procedure to divide the work up between the two houses, but we have learned nothing in that line since the great war. I am of opinion that the business of parliament should be reorganized in such a way that the other chamber will be given more work to do. We need real parliamentary cabinet and law reform here in war time.

I wish to refer to one or two soldier matters because this is probably the last opportunity we shall have to bring them to the attention of the house. The Minister of Finance (Mr. Ilsley) has told us that since the passing of the lease-lend bill this government has not had time to do anything in the matter of bringing about parity between the Canadian and the United States dollar. Washington-minded as we are in Ottawa, the government have not even attempted to garner any of the fruits that should flow from the work which Canada has done for the north American continent as a pioneer in its defence. We all have a great respect for that great country to the south, but some of the people over there forget that for two hundred years the mother country protected their shores, enabling them to become the great industrial nation they are to-day—something everybody is happy about.

Last week we sent down to Washington a number of financiers. But what do these clerks, office boys and stenographers know about high finance, or peace and war, economic and international affairs in dealing with Henry Morgenthau, secretary of the United States treasury? The time has come for us to take up with Washington in a serious way this question of parity or near parity of the dollar, because to-day we are importing $40,000,000 worth more of United States goods than we did last year on which exchange has to be met. As I said last night, one can go into any of the large departmental stores of this country and see, on the counters, piles of United States goods, almost all of which could be manufactured in Canada, thus saving exchange. True, we have a treaty, a trade one, which expired last year but is kept on. I hope that something will be done about that, because, after all is said and done, the lease-lend bill applies to Canada as well as to our allies, China and other countries. This matter should be taken up in a big way and certainly be referred to in the coming budget, and a war-time agreement made and entered into as an economic necessity for stability.

I have a letter here from the personal services officer of the Canadian Legion war services, stating that a soldier of the Ontario Regiment at Camp Borden is apparently about to lose some property which represents his life savings. The soldier is expecting to leave shortly for overseas and is much concerned as to the outcome of an action which is pending to dispossess him of this property. If he loses it, the writer says, his chances of rehabilitating himself on his return to civil life are very doubtful. The writer enclosed twenty-six papers, which I have transmitted to the Minister of Pensions. I should like to see a moratorium on mortgage foreclosures declared in respect of the property of all members of his majesty's forces, to continue in force until eighteen months after the war, during which period there should be no foreclosures of soldiers' property, and where necessary the government should pay interest, charging it against the soldier's mortgage at a low rate, when he returns. I hope something will be done about the matter.

There is another question to which I referred the other day in the hope of securing some measure of redress for this soldier grievance. I refer to the charges for meals on trains. Our military training camps are far-flung from Vancouver to Halifax, and I should like some of the members of this house to come and see what Camp Borden is like with the water, rain, mud and all that kind of thing at this time of the year. The same conditions can be seen at Petawawa and other camps. We have spent between $9,000,000 and $10,000,000 on the camps, and I maintain that the soldiers should have been encamped near a city where sewerage, water supply, good roads, transportation and other conveniences which are a charge on the overburdened taxpayers would be available. What was the need of establishing camps at Newmarket, for instance, and Long Branch? Why do we need camps there when the Toronto exhibition buildings are available? Toronto has spent $24,000,000 on those buildings, grounds and permanent exhibits, and the soldiers could have been trained there and used the buildings in inclement weather. That would have permitted training to go on all during the winter without interruption. I do not blame the Minister of National Defence (Mr. Ralston) because I know he is a man of wisdom and great capacity, and he was not in charge of the department when all this was started, but I object to some of these expenditures as being secondary, not primary. The

battle of Britain is the vital thing. If that is lost and the battle of the Atlantic and the battle of the Mediterranean are lost, freedom and liberty are gone so far as the north American continent is concerned, and life will not be worth living unless we win the war.

With regard to the price of meals, we have in this building a cafeteria where one can get a big dinner for thirty-five cents, but a poor soldier travelling across Canada in inclement weather has to pay from $1 to $1.25 for a meal on the train. That is what they are charged by our two great railway corporations. I wish hon. members could see some of the boys on the public ownership road. I have complained in this house before with regard to these conditions. I complained also because the rules of the house were broken when a committee was appointed, without notice first being given on the order paper, to consider the annual budget of the national railways and merchant marine. The soldiers are fighting the battles of this country, and they may never come back, and they should have free fares from the railways, for all the federal aid they have had.

I have a return here showing what the Canadian Pacific Railway has received month by month for transporting soldiers, and in my opinion it is this corporation or the two railways which are the real authors of the hitch-hiking orders which have been issued. I know something of that matter from the returns which have been brought down and from what I have read.

This return also shows what was paid to the Canadian National Railways, which my former leader called a dead-head railway, and that is what it is. Everybody seems to have a pass over the road if he has pull. Lindbergh got a life pass, not just a pass from Camp Borden home. The return shows that the Canadian Pacific Railway received for the transportation of navy, army and air personnel in September, 1939, $78,000, in round figures; in April, 1940, $323,000; in September, 1940, $289,000; in October, 1940, $373,000. Altogether, from September 1, 1939, to February 28, 1941, that railway company received $2,628,832.90.

The Canadian National Railways received for the same period a total of $2,573,226.28.

The Canadian Pacific Railway, no matter what government is in power, always has the biggest pull of any corporation in this country. One only needs to be a member of parliament and attend the committees of this house to learn something about that railway. There is no doubt that they have done a great deal for Canada, and their services in war time could not be surpassed by any great corporation in the world, but I do ask that railway to give some consideration to six poor soldiers who stole five or six tickets costing about $18.90, especially when it is remembered that the railway got from the government $2,628,000 for transporting troops to camps all over this country, since the war started.

Turning to another matter, I challenge the right of any commanding officer of a camp, without the authority of parliament, to issue orders on the camp notice board making certain actions within the law taken by soldiers a military offence. Let me read these four paragraphs:

> Railway tickets and bus tickets must be purchased and handed into company office before 1200 hours Fridays. These tickets must be attached to the passes and given out at 1600 hours.
>
> Personnel proceeding by privately-owned motor cars must inform the C.S.M. of the name of the owner of the car, also the car licence number, before 1200 hours on Fridays.
>
> Do not get the idea that you must go on pass every two weeks.
>
> If you have not enough money—do not go. Save your money.

I have a letter protesting against these instructions. They are illegal and without authority. The Fairbanks branch of the Canadian legion writes me:

> Hitch-hiking is not the proper way a man in the king's uniform should travel, and we think the government ought to be big enough to provide a decent means of doing so.
>
> Every effort must be made to allow these men to visit their homes and loved ones while they are in Canada, because some will be a long time gone after they leave these shores.

Too much cannot be done for the boys who are willing to go over there for their country, and we have faith in the government that it will do something.

Some of the commanding officers are more reasonable than others with regard to applications from those who wish to be officers. In my opinion all officers should come from the ranks. I understand that the former commanding officer of one of the corps of engineers has given a ruling that nobody who has not had university training or graduated along those lines can get a commission.

Another matter which might be referred to is the inaction of the government with respect to enlisting the cooperation of members of parliament. So far as the Toronto district is concerned, I doubt whether any hon. member has ever been invited to attend a single camp or anywhere else to see what is being done or is hoped to be done by the government from 1940 to 1942. The only letter along these lines which we have had, so far as I know—and I have asked some other hon. members—came from the Department of National War Services, asking us to take part

in a "scrap" campaign. I have pointed out on another occasion that this work is covered, so far as our city goes, by the police commission and licensed peddlers. It is also handled by the Salvation Army, who have big trucks going to every house in Toronto to collect the week's scrap; by the Poppy day fund, which have a regular service also, and raised by this means a large sum of money to take care of its work; by some of the women's organizations, including the Imperial Order, Daughters of the Empire; by the National Council of Women; and last, but not least, by the street department. Then, why any further duplication of services? That was the only invitation we have received. It was dated March 17, which was probably a good day to send it out, because some people born under the colour which that date symbolizes are, in any event, very full of "scrap." Anyway, that is the only invitation we ever got, to go out and collect rags, bones, and bottles, and I suppose we got it because some of us are "Conservatives," although the government is supposedly conducting a "Liberal" war.

In my opinion the small loans act operates against the interests of our soldiers. At the pawnshops where they try to raise a few dollars, they are charged rates away in excess of two per cent a month; in some cases, up to three or four times that amount. These men should have protection, if needs be by some measure brought in by the Department of Finance to assure them a little better consideration or a lower rate under federal authority.

Another matter to which I wish to refer is the situation in respect of the buildings at the camps. It seems that at least three or four departments have charge of these buildings. The Minister of National Defence, who is always illuminating and informative, brought down a splendid report upon the cost of these camps, but some of the work is done by contract, some by the department of the Minister of Munitions and Supply, some by the Department of National Defence and the air force do a lot themselves. No doubt it was a rush job and the work was necessary. I am making no objection to it. But as regards the Department of National Defence for Air, I have in mind that at the foot of Yonge street to Sherbourne street on the Queen's quay, in Toronto, a large number of wooden huts have been constructed, and I have received many complaints from carpenters and builders and others in the district that they cannot get employment on this work, but that people from all over Canada have been brought in to do it, nobody being taken on who is over forty-five years of age; further, that the rates and labour conditions are not what they should be. I reported the matter to the Minister of Munitions and Supply, and his director of public relations—I do not know what that phrase means, because every department seems to have a "department of public relations"—

An hon. MEMBER: Poor relations!

Mr. CHURCH: —simply referred me to the commander of the Royal Canadian Air Force at Toronto, and his public relations branch. What is the idea of having these huts? As we go past, we see a large number of troops doing nothing except guard duty enough to protect a city hall, and all they do is to protect lumber which is already protected by the city police, by the harbour commissioners, and by the contractors. No wonder there are so many people in the unit suffering from throat trouble, as the return to an order of the house showed.

I have in mind another matter which should be looked into in the interests of recruiting and of the army in general. I want to find out about the large number of civilians who are doing nothing in the army but sitting in offices, wearing uniforms, and getting—some of them— double pay—men in the city of Ottawa for whom the Ottawa river is the first and last line of defence so far as the war goes. I have received a number of communications objecting to the use of civilians in the Department of National Defence, while returned soldiers are out of work. They complain regarding the "number of uniformed men in the naval department who are merely doing the work of clerks, but who first secure commissions as lieutenants, thus enabling them to draw military pay on civilian jobs and to wear naval uniforms." Some of these lads were never on a coal barge, to say nothing of any other craft; they are not like the able "admiral" we used to have here from the bay of Fundy, who was a real authority on the sea and shipbuilding. "They will perform civilian clerical duties only until the war ends, but instead of drawing $75 per month as clerks, they will draw lieutenant's pay and allowances."

Another objectionable feature is the press bureau of the Department of National Defence for Naval Services. The other day I got a magnificent booklet, or brochure, or album; there is nothing like it on the north American continent, although it emanates from what is known as the "silent arm of the service."

Did you ever hear, Mr. Chairman, of the Royal Navy making up a book of photographs of itself and sending them all over the country as a publicity stunt? I am here to pay tribute to the noble courage of the men who are writing a glorious record on land, sea and

air; the history of courage is being rewritten by them, and I particularly congratulate the Minister of National Defence for Air on the good work he is doing. But one feature of the work of these departments simply does not appeal to me at all, and that is the large number of people who have been engaged for publicity work. As I pointed out five years ago, when this matter of naval protection was under discussion and I was urging a national shipbuilding policy and the opening up of all shipyards to prepare for a vast merchant marine policy before it was too late, and that something be done, we found that at the last shipping conference and the previous imperial conference the Dominion of Canada sided with two other dominions, and did not side with New Zealand and Australia in an advanced, forward empire shipping policy to rebuild the merchant marine. We would not assist or give one dollar towards the Singapore base, and we said, at the last empire shipping conference, that as far as the Dominion of Canada was concerned, we had no commitments and did not intend to make any towards maritime freedom. I do not see why the departments should be loaded up with all these publicity people. It is ridiculous to have these civilians—for that is all they are—walking up and down Yonge street in Toronto, or Sparks street here, wearing the king's uniform.

I do not blame the three ministers in charge of this department for these conditions; they have made many improvements; but why should these people, who really are only civilians and wear uniforms, enjoy increased rates of pay, while the men who are going overseas, privates and N.C.O.s, have to salute these gentlemen who are simply sitting at home getting double rates of pay for working on publicity, pay branches, and similar civil service jobs in the various departments at Ottawa and not in actual war work? Why, the streets at times are filled with many of these people! One has only to walk into any hotel rotunda or departmental store in Toronto to see many of them. The ministers in charge of these departments, who know far more than I do about these matters, are capable men and no doubt are trying to make some changes. I suggest that there should be some division in this matter of personnel; that those officers who are performing only civilian duties on the staffs of various departments should not wear the uniform at all, unless enlisting for any theatre of war, and the returned men should fill these positions.

Regarding publicity in general, there is no doubt that Canada is not being properly advertised in the United States. I hope that parliament will take note that on the next St. George's day, the day we celebrate in honour of England, there is to be a visit by Mr. Menzies, the splendid Prime Minister of Australia. Australia is opening an office in New York which will operate as an information bureau and will supply data on all phases of Australian life and on what that commonwealth has done in the war, and Australia has a great story to tell of her war work. That bureau will deal with the press and put on a real publicity campaign, giving them proper information instead of some of the garbled information that is coming into Canada now of war and foreign affairs.

I have here a letter from a leading head of a big store in the west end of Toronto, complaining about our information bureau. He says he has written several times asking the head of this department not to send him any more of this information because he cannot distribute it; it just goes, he says, into the waste-paper basket. In view of the great shortage of paper in Great Britain and this country, he thinks this waste is regrettable. I think the point he makes is well taken.

This bill will be the last opportunity we shall have to go into all these questions. I wish to commend the government for a great deal of what it has done, especially during the last year, but I would direct its attention to one or two matters which should be looked into. One is with regard to British prisoners of war. I have here the British official *Hansard* of Tuesday, December 3, 1940, in which there are three pages of questions and answers, beginning at page 392. It is charged that owing to the United States having been more or less against Germany, the former policy under which the United States government looked after the distribution of Canadian Red Cross parcels and private parcels to prisoners of war is no longer being attended to. The British government was asked as to its intentions with regard to these privately run enterprises. They did operate through Lisbon, but now, since the lease-lend bill, it is difficult for them to do anything, or get Red Cross parcels delivered.

These parcels are not arriving. The following members took part in the debate: Captain McEwen, Mr. Law, Sir William Davison, Viscountess Astor, Major-General Sir Alfred Knox, Miss Ward, Mr. Lees-Smith, Mr. Robert Gibson, Mr. Bellenger, Sir Adam Maitland; and the reply is given. The government here should also look into this situation. If the British government are not delivering the parcels, how can we know with regard to any private organization in Canada who send parcels? We had the head of the Y.M.C.A. in America telling us here last fall

that parcels were being delivered by the Y.M.C.A. He came here from the United States to give his views. The debate in Britain is to the contrary. This, I believe, is an authentic report of the proceedings in the British house, and this question is creating a great deal of anxiety among the relatives of our own troops. I have had several letters from mothers and fathers and wives of these men wanting to know if they get the parcels. Sir William Davison said:

> . . . I hold in my hand a letter from a prisoner in Oflag VII camp, dated October 29, saying no Red Cross parcels of any kind had come to that camp . . .

The minister said that there was a great deal of difficulty due to shipping and the changes that had taken place, and deliveries were difficult. An inquiry should be held into the matter at once, and I refer the government to these pages of the British *Hansard* for a complete statement of the case. Action should be taken.

Another matter with regard to these prisoners of war is that when they are in the army they are allowed so much a day and sustenance. When they become prisoners of war they do not get any allowance, and they do not get proper clothing, although by our law they are still on active service and should be paid. The country should pay for it. There is discussion of that in the same *Hansard*. I hope the government will look into it. They pay for food and clothing and they do not get it, *Hansard* says.

Another matter is that the information the country is getting, both on the radio and in the press, is not what it should be. The proceedings of this house are not reported. I heard the other day a man on the BBC giving his views, and it is time we had a Who's Who so that we may know who these people are, even the BBC, that are giving Canadians information about the war and about this bill and other matters. One of the broadcasters is J. B. Priestley, one of the best-known pacifists Britain ever had, who, for some unknown reason, got this job. Here is what he said in 1938:

> The most dangerous lunatics we have had to do with in this century have been the "be prepared" agitators. . . . All those people who go about saying that war is inevitable, and giving us their views on the next war, are either dangerous lunatics or criminals. They ought to be locked up and fed on bread and water.

One has to understand who these people are and then one can know how much attention at times can be paid to them because they were wrong all the years before the war. So when we are told that parcels are being delivered, the authority for those statements should be looked into, and a survey made as a result of America not being now able to function in Germany.

This supplementary bill and the main war appropriation, reaching a total almost unthinkable, are the net result of the sham sort of world Canada lived in from 1921 to 1939. They thought of nothing but Geneva and all its works, and threw away not only our defence but our friends. They also misjudged the whole European and domestic situation. We were told that there would never be any more war and that a bill like this would never be necessary again. We were told that on all sides of this house; that is the result of pacifism, disarmament, Geneva, Stressa, Locarno, Kellogg pacts and Munich. Had we made ourselves secure and been prepared, we would not have had a bill for one-third of this amount. But this bill to-day, what is it? It is just preparing the way for the Marxian theory; it is simply heading for the totalitarian state. The ministers take pride in the magnitude of the figures, the dizzy height; it has almost gone up to the height of the tower of Babel, in geometrical progression, and they are very proud of it. But there has been altogether too much taxation, too much of the methods of the big stick, too much telling the people of Canada what they are going to do next fall and winter and all kinds of scarecrow publicity. The late Hon. J. Israel Tarte said "elections are not won by prayers"; and to wait until you see where Canada will be next year in taxes. With the present ministry and all the professors, we shall in time reach a totalitarian state. There never was a time in the history of this country when a vigorous opposition was more needed than it is to-day. Wait until you see how your bread and tea and groceries will be taxed next year; see how we are going to take from Mr. Hepburn and the other provinces and the municipalities the gasoline tax and the motor vehicle tax, with all the scarecrow and big stick methods. There never was a time when the opposition had a greater opportunity. The London *Economist* said recently:

> The fact is that an alternative administration in opposition—able and willing to become a government, but with no wish, real or professed, to disrupt the state itself—is a necessity of sound democratic government. Indeed, one of the chief items in any really satisfactory reconstruction of the post-war world would be the emergence of such an opposition, and certainly not its suppression. In the event, of course, the advocates of a straightjacketed "unity" and the place-seekers may conceivably have their way, for it is hard to see where a real opposition is to come from; but it would be a setback, not progress.

In short, what is wanted in our public life is not the blurring of outlines but their clearer definition. It is no gain to have a formula which misrepresents two opposite views. It would be much better to have both defined.

They refer to what is proposed for reconstruction afterwards. The government would be well advised to adopt the principles laid down in this British *Hansard;* if they did, the debates would not last half a day or a day, and allow an hour daily for questions and subsidiary questions on all features of the war and cross-examination of the ministry, thus giving the country the facts and preparing it for the difficult days ahead.

Mr. PICARD: Last night I intended, when the discussion centred on Nova Scotia, to say a few words, but I did not have an opportunity then. Since the subject has been brought up again this afternoon by the hon. member for Davenport, I wish to make a few remarks.

The hon. leader of the opposition said last night he wanted the government to put Halifax back on the map. Halifax is on the map now, very much on the map. A couple of weeks ago I was in that city for a few days and what I saw there proved to me that Halifax was definitely on the map. If every member of the house had a chance to go there, he would see what has been done by the government and it would convince him much more than by looking up figures, listening to complaints and voicing them again in this house. While in Halifax, I spoke to people in every walk of life. I admit that the conversation at times came back to the shipbuilding programme and the contracts that had been granted in Canada; but at no time did I hear, while I was in that city, such bitter complaints as we heard here at times last night. On the contrary, instead of complaining, most of the people I met in Halifax were proud of the role played by their city in the present war, and of the use made of the facilities of their wonderful harbour.

With regard to the explanation given by the minister last night as to this question of shipbuilding, I confess I am not an expert. I was not born on the Clyde, as was the hon. member for Weyburn (Mr. Douglas). I was born on the shores of the St. Lawrence where there was no shipbuilding industry, in a beautiful, small city, Rivière du Loup, whose people are ably represented in this house by the hon. member for Témiscouata (Mr. Pouliot). That city, by the way, has supplied to this present parliament six members, who are past or present citizens of that city—the Minister of Justice (Mr. Lapointe), the Minister of Fisheries (Mr. Michaud), the hon. member for Témiscouata, the hon. member for Lotbiniére (Mr. Lapointe), the hon. member for Kamouraska (Mr. Lizotte) and the member for Bellechasse.

Although, as I was saying, I was not born on the Clyde, strangely enough I was able last night to understand the clear explanation given by the Minister of National Defence for Naval Services (Mr. Macdonald) in such masterly fashion. Even in Halifax, most of the people I met, although some of them expressed the wish that more could be done if possible in that part of the country, understood the reasons which were indicated to the committee last night by the minister. One afternoon, after visiting the historic buildings that house the local assembly, I was invited by a hospitable Haligonian to his club. The reasons given by the minister last night were also voiced there by some business men. They said, "We have to admit that this is the position. We should like to have the specifications so drawn up that we could fulfil them, but we understand that they were put there not by Angus Macdonald but by the British government." So they admitted that the person responsible was not the minister; they understood that it was not the Canadian government but the British government that gave the specifications and that those specifications had to be complied with. It may have been hard for them to swallow, that they all tendered too high, but they understood the reasons that have been given by the minister.

As regards steel shipbuilding yards, the minister said there was only one. I was even privileged to visit this yard and to see the work that was being done there, and it is much more important than any new plan of shipbuilding. I am not at liberty to explain, but it may be inferred from what I say, that the work that is being done in this Halifax yard at the present time for the Canadian and the British governments is of much more importance than the building by this yard of one or two ships a year.

While there I had an opportunity to visit the British naval base. I am not at liberty to describe what I saw, but it was a heartening sight. I wish that more members could go there. They would better realize the situation. A visit to Rear Admiral Stuart Bonham-Carter would inspire anyone. He is a genial man and a fine personality. Coming in contact with a person like this makes one understand the success of the British navy. These men can be calm before and after battle, as shown by Admiral Cunningham who, after winning the last victory over the Italians, took his family to the moving pictures at

Alexandria. They are the sort of men who control the British navy, men who can be charming and entertaining on occasion, while being authorities in their own sphere.

I also had an opportunity to visit the Canadian naval base under Commodore Jones, and here, again, I was most favourably impressed. The Canadian navy has been enlarged tenfold. It is extraordinary to see what has been done in such a short time. It is a remarkable achievement, and it has been accomplished within a few months—because, after all, we cannot count in terms of years. Only a few months have elapsed since the start of the war, and such a change has been brought about in the Canadian navy that one must actually see it to realize what has been done. One must see it on the spot. Here, we simply look at figures and we hear of so many new ships and so many men; there you actually see what has been accomplished and you realize, more vividly than the reading of figures and statistics can make you realize, the change that has been brought about. This is due to the far-sightedness of the Department of National Defence, of the ministers, past and present, and mainly to the Minister of National Defence for Naval Services, who has given so much attention to the programme of the construction and expansion of the navy.

While I was there I visited the headquarters of the eastern air command under Air Commodore N. R. Anderson. Again, I am not at liberty to say much, but I can say that what I saw there is indeed remarkable, the coverage made by the air force, vast areas, their activities in so many ways, the wonderful organization they have within headquarters. You have to see it to realize what is being done. When you are there you realize that the petty criticism that is indulged in amounts to nothing. Some people will say that this has not been done and the other has not been done, but when you see it in actual operation you realize what the government has done. If more hon. members would go there they might be ashamed of voicing some of the petty criticism that we hear from time to time. They would see the magnitude of the work done.

I also visited Dartmouth air port under Group Captain A. L. Morfee. It is a splendid achievement both as regards material and as far as the men are concerned. They have a much larger number of men than I imagined, men not in transit overseas but defending the eastern portion of Canada. They are working for the defence of our own country. I suppose I can say that the achievements of the air arm so splendidly organized by the air ministry, are due, to a large extent, to the dynamic personality of the Minister of National Defence for Air (Mr. Power), who must have inspired his men, because a tremendous amount of work has been done and the men and the organization are thoroughly efficient.

I am not supposed to speak for Halifax; I have no brief to do so. I can tell the committee, however, something of what I have seen, and I think it would be well if others could see for themselves what the different branches of the Department of National Defence have done. It is heartening to see the material effort of Canada centralized in the activities that one sees in the harbour of Halifax. The few shortcomings can be excused in view of the shortness of the time in which the government has had to expand these facilities.

Someone referred the other night to the housing condition. I understand that this is being remedied. A number of houses are to be built under the housing programme and barracks are being erected so as to avoid the troubles complained about. I understand that barracks cannot be erected fast enough. If the expansion of such a programme is under consideration, I would advise that many more barracks be constructed for men in the different services.

Then, there is talk there about health services. Perhaps I might be permitted to say to the Minister of Pensions and National Health that the wish of the majority of the population is that one central authority should act in that connection. His department should get in contact with the provincial, municipal, army and navy health authorities, and get their consent so that there would be one central authority with power to apply regulations to prevent unhealthy conditions in Halifax.

In conclusion, may I state that Halifax is indeed a great city, a city full of enthusiasm for its war effort. Haligonians are proud of the men who hold three of the most important portfolios in the cabinet. In this regard I may say that while I was lecturing at Dalhousie university the chairman of the evening, referring to Dalhousie and Laval universities, stated that if the graduates of Dalhousie and Laval were withdrawn from the government, the administration would be crippled. It would mean that the Minister of Justice, the three Ministers of National Defence, the Minister of Public Works, the Minister of Finance, the Minister of Fisheries and the Secretary of State would be withdrawn.

Mr. HANSON (York-Sunbury): And do not forget the leader of the opposition.

Mr. PICARD: I am sorry I forgot to mention the leader of the opposition. His role may be more important than that of Mr. Willkie, although less sensational. A trip to Halifax would give any hon. member who had occasion to go there a feeling of absolute confidence in victory. He would have a better knowledge of Canadian defence problems and of the achievements of the government and the different national defence services for the defence of the country, and for help to Great Britain.

Mr. McCUAIG: The hon. member for Davenport (Mr. MacNicol) suggested this afternoon the advisability of formulating some policy whereby, after the war is over, shipbuilding in Canada might be continued. May I add my voice to that of the hon. member in that regard? When this war began we did not have sufficient capacity in our shipyards to supply the demand. We learned, and we have known for many years, that ships can be built in Great Britain for about fifty per cent less than they can in Canada. If therefore the shipbuilding industry is to be continued in Canada, as I believe it should, it will be necessary for some government to formulate a plan of assistance to shipbuilding. In time of war, when there is a heavy demand —in fact when the demand is greater than the supply—we are warranted in giving shipyards contracts at prices higher than those which could be justified in time of peace. Therefore if we are to see to it that the shipbuilding industry does not at the conclusion of the war decline almost to the zero mark, where it was prior to 1935, it will be necessary for some government to formulate a plan.

I am keenly interested in this matter because in my constituency of Simcoe North we have in Collingwood one of the largest shipbuilding industries in Canada. Before I came here as a member of this house in 1935 I came to Ottawa with a deputation from that district to interview the government. On that occasion we urged upon the government the necessity of formulating some plan to keep a certain nucleus of men working, so that if the time did come when it was necessary to do some shipbuilding the men would be available for that purpose.

A few days ago the hon. member for Dufferin-Simcoe (Mr. Rowe) asked why the Collingwood shipyards were not working more than one shift a day. No doubt the hon. member felt that if there was a demand for ships, a larger demand than we could supply, the shipyards should be working more than eight hours a day. Discussing the matter with officials of the Collingwood shipyards I learn that they have sufficient orders. They have orders ahead, and all they can handle at present. But if they changed from one shift to two or three shifts they would do so only at the expense of other shipyards in Canada. They require expert men in the building of their ships. They feel therefore that it is better gradually to build up their supply of skilled men, and to have those men trained in their own industry, rather than go out and draw them from other industries already engaged in the war effort.

I would urge upon the government, at this time when shipbuilding is urgently needed, the necessity of formulating some plan under which when the war is over we shall not be caught where we were three or four years ago, with our shipyards almost empty and with a lack of skilled men to work in them.

Mr. GILLIS: I should like first to make a few observations respecting what was said by the Minister of Labour when the orders of the day were called at the opening of this sitting. He stated that I had described as discourteous his failure to answer my question at an earlier date. I had no intention of conveying any such impression. I have found the Minister of Labour always ready and willing to cooperate. I had pointed out only that the system followed by the Minister of National Defence in answering questions asked in the house was a system which all departments should follow as closely as possible. Several days had elapsed since I had brought the matter to the attention of the minister, and I considered it of sufficient importance to bring it to the attention of the house. I thought I should have an answer. The reply given this afternoon does not answer the question I had intended to ask, which was this: What efforts are being made by the Department of Labour to find employment for the forty-six men who are unemployed as a result of their being replaced by girls in the plant in Hamilton?

When these men entered the plant to be trained as inspectors there was an understanding or agreement with the Canadian government that in the event of their having to go to the United States or other parts of Canada to do that kind of work they would be paid a subsistence allowance. When they were called in and informed that they were to take similar work in other parts of Canada —and some of them in the United States— they were told that the subsistence allowance did not apply. They were to be sent out of the country to work at 56 cents an hour which was six cents an hour more than they were receiving in Canada. They were objecting, not because they did not wish to leave the country but because the subsistence allowance had been taken from them. As a result

they are unemployed. I wanted the Minister of Labour to tell me what he or his department had done with respect to securing employment for men over whom they should have supervision and jurisdiction.

May I speak briefly respecting the statement made by the hon. member who recently visited Halifax. He would convey the impression to the house that conditions in that city apply to the entire province of Nova Scotia. The city of Halifax is a very small part of Nova Scotia. Undoubtedly the city of Halifax is making a valuable contribution to the war effort, but compared with the rest of the province they are faring well. The majority of people living in the eastern part of Nova Scotia look upon Halifax as the end of Canada. It is the end of the radio chain; it is the terminal of the Trans-Canada Air Lines, and the harbour commission is there. Halifax is well taken care of and is very well represented so far as government is concerned; it is the seat of government. The conditions have been correctly described by the hon. member, but they certainly do not reflect the conditions that exist throughout the rest of Nova Scotia. I am glad he was so well received. He was taken to the historic chamber which houses the legislative assembly. He was certainly treated better than I was the last time I was there. I went there toward the end of December 1940 at the request of the executive board of the united mine workers, to take part in a coal conference called by the provincial minister of labour. When I arrived in Halifax I met the minister, but I was refused permission to take part in that conference. Apparently the hon. member from Quebec had more pull or exerted more persuasive powers upon the local authorities in Halifax.

I listened with interest last evening to the discussion of shipbuilding as applied to Nova Scotia. Two statements were made which stand out and which should form the basis for any discussion of this question. The Minister of National Defence for Naval Services stated that at present the shipbuilding plants in Canada were not operating to full capacity and that there was no shortage of shipbuilding facilities. He said that until such time as the shipbuilding facilities of Canada were taxed to the full he did not see the necessity of the government subsidizing or forcing shipbuilding plants in Canada to take on orders. The hon. member for Cumberland (Mr. Black) read a statement last evening which had been made by Mr. D. B. Carswell, the controller of ship construction and repairs in the Department of Munitions and Supply. I imagine that Mr. Carswell, whose duty it is to examine into these questions of shipbuilding, should know something about the proposition. He stated:

> Principal problem facing an "all out" cargo and warship construction programme in Canada, which would involve establishment of new shipyards throughout the dominion, is the problem of finding the money for both ships and yards.

This statement on March 11 of the man charged with the responsibility of advising the Department of Munitions and Supply would indicate that shipbuilding is one of the major problems and perhaps one of the greatest contributions to our war effort that could be made at the present time. Yet on the other hand the minister, who of course was not speaking for his own department, makes the statement that shipbuilding plants in this country are not operating to capacity. Each of these men has a certain responsibility with respect to this particular question, but they have made opposite statements which should be clarified.

The hon. member for Weyburn (Mr. Douglas) emphasized the fact that food is being rationed in Great Britain when we have an abundance in Canada. Of course the reason for the rationing is that we cannot get the food to England. The people in Britain are fighting our battle and one of our major problems is getting the necessary supplies of foodstuffs and so forth to them. These two statements would lead one to believe that either the controller of shipping or the Minister of National Defence for Naval Services is mistaken. It is not my intention to make an analysis of these statements; I merely call them to the attention of those in charge. Statements of this kind going out to the people through the medium of the public press lead the man on the street to believe that those charged with the responsibility of carrying on such an important part of our war effort are not using their best judgment.

I was disappointed also at the statement made by the Minister of National Defence for Naval Services when he attempted to analyse the reason why shipbuilding has not been carried on more extensively in Nova Scotia. He pointed out that at one time shipbuilding was the major industry of this province. He said also that shipbuilding yards in Nova Scotia had been asked to tender, but that very few had even put in tenders, and those who did were twenty-five per cent higher in their prices than shipbuilding yards in other parts of Canada. He could give no reasonable explanation for this. The minister's statement amounted virtually to an accusation against the shipbuilders of Nova Scotia of sabotage or an attempt to obtain greater profits

than other shipbuilders. In the light of the present situation I think that is a serious statement to make.

Personally I do not believe that any such thing is true. It should be clear to anyone who makes an examination of the set-up in Canada why the shipbuilders of Nova Scotia are not in position to accept orders. The shipyards in Nova Scotia are small and their owners are not able to expand them because they have not the necessary capital. The minister doubted very much whether the spirit of those engaged in this industry was equal to the spirit which had actuated the shipbuilders of seventy-five years ago. I think the same spirit is there, but the economic set-up is different to-day from what it was seventy-five years ago. The industry lacks capital and it is not able to expand in order to handle the building of these ships.

Fifty or seventy-five years ago, when the shipbuilding industry in the province was flourishing, Nova Scotia controlled its own capital. At that time there were six or seven banks in the province—the Merchants bank, the bank of Nova Scotia, the Halifax Banking company, the bank of Yarmouth, the Commercial bank of Windsor and the Union bank of Halifax. These banks were all organized in the province and were ready to lend money for the carrying on of business. Through mergers the assets of these banks were transferred to Toronto. Eighty per cent of the capital invested in the manufacturing industry is concentrated in one province. The people of Nova Scotia no longer have control of their own capital.

You must have capital to expand. If you want capital the first thing you must do is apply for a loan. If the loan is for an amount over a certain figure the application must go to the head office in Toronto. You must state the reason why you require the loan. Generally the people who direct the banks are at the head of our manufacturing industries. If a loan is required to expand an industry in the eastern part of the country which will come into competition with one established already in Ontario, the logical thing to do is to refuse to lend the capital to expand that industry. I think this matter will be serious until such time as the government are prepared to take hold of this question of shipbuilding.

The plants in the eastern part of Nova Scotia will have to be subsidized if it is absolutely necessary—and this is admitted by all—for us to produce the ships. And we should not stick to wooden ships. Press reports have stated that an attempt was made to start a plant in the eastern end of Nova Scotia. I think that should be followed up. As I stated the last time I spoke on this question, if the government erected a plant and operated it themselves at no profit it would serve a twofold purpose; it would not only increase production but would provide employment for the many who have not employment to-day in the eastern end of that province. I think I am absolutely right in summing up the situation in this way, and I think the Minister of National Defence for Naval Services will admit—maybe off the record—that that is the true picture. The shipbuilders of Nova Scotia have been represented as people who are looking for enormous profits, but the actual situation is that control of our own resources in Nova Scotia has drifted into another province, into the hands of people who are not interested in creating in another part of the country competition for themselves.

The minister of naval services stated that so far it was not the intention of the government to subsidize the shipbuilding industry. But as the war is now developing, particularly on the sea, before very long ships will be the most important thing we shall need in the prosecution of the war, and the government would be well advised to take into consideration the question of subsidizing, where necessary, shipbuilding plants. According to the minister himself there are fifty in Nova Scotia.

Mr. MACDONALD (Kingston City): I never said fifty.

Mr. GILLIS: Then twenty-five. Several figures have been given.

Mr. MACDONALD (Kingston City): I never said twenty-five.

Mr. GILLIS: Various figures appear on *Hansard*. Some say fifty and some twenty-five. Assuming there are twenty-five, all of these plants could be put to some use, and many of them could be expanded, possibly at no great cost. On the other hand, there are thousands of boys on the road in Nova Scotia who have never had a day's work in their lives. Many of them are capable young men, and some of them could be trained at this very time while we are sitting and talking about it.

As I said a short time ago, Hitler had swept across France to the English channel before some people in Great Britain awoke to the seriousness of the war situation, and instead of debating these things we should be doing something about them. It will perhaps be too late when the war is brought closer to home. We all hope that will not happen, but in the light of the events of the past year and a half we should not take any chances. If millions of dollars can be invested in industry elsewhere I see no good reason

why money could not be expended in Nova Scotia to develop our shipbuilding plants, particularly when it would serve the two purposes of increasing the production of ships which are vitally needed and giving employment where it is sorely needed. Private industries should not be allowed to exploit at a profit. If it is necessary for the government to subsidize plants the government should receive the benefit, because in the final analysis it is the taxpayers who pay the bill, and if there are any profits accruing the taxpayers should receive the benefit.

I am emphasizing the importance of this question in order to bring it again to the attention of the government, with particular reference to the two statements that have been made from responsible quarters. One I presume was by an employee, and the other was by the minister. One said that an all-out effort in shipbuilding should be made even if it was necessary to subsidize the industry. Then there is the minister's statement that the shipbuilding plants of Canada are not being used to capacity. This is a matter that should be taken hold of at once by the responsible minister.

Mr. HOWE: I must apologize for not having been in my seat last evening, but I had an important meeting with departmental officers. I read the *Hansard* report of yesterday's debate, and I notice that the hon. member (Mr. Gillis) stated that I had not answered his question about the steel mill at Sydney. I thought I had answered it fully. I explained that it is well known to the department that there is a steel rolling mill at Sydney, which was established at the end of the last war, too late to be of use in that war. The mill which is still there has been partly dismantled, and part of the equipment I think has been used for other purposes. We have considered since the beginning of the war the desirability of putting that mill into operation, but the difficulty has been this, that the whole capacity of their ingot steel has been contracted for, and there is none available to turn into plate. I went further and took the matter up when I was in England, to see whether Britain would not prefer to release part of their ingot contract and take plate instead. But ingots were the type of steel most needed in Britain, and British officials were extremely anxious that there should be no reduction in the shipment of ingots from that mill to Britain

Mr. HANSON (York-Sunbury): Has the steel company ever made representations to this government with respect to the establishment of a plate mill there? Has the company that owns the mill not been willing to go into operation with government assistance?

[Mr. Gillis.]

Mr. HOWE: They are quite anxious to put their mill in operation, but that does not answer the question: what are you going to use for raw material? It would be violating the spirit of our relationship with Great Britain, violating the sanctity of contract, if we did not maintain the production Britain wants. The British government was responsible for putting in some of the capacity at Sydney for ingots, and they made a contract for the output to be used in Great Britain. I for one do not wish to be a party to deliberately setting up facilities which would divert that supply of ingots from Britain.

We have been discussing as an alternative, and I think this is the proper alternative, increasing the ingot capacity there by putting in another open hearth furnace. Plans are being drawn for that now.

Mr. HANSON (York-Sunbury): How much would that cost and how long would it take?

Mr. HOWE: It would cost about $1,500,000, and it takes eight months. To put the rolling mill in shape would cost $8,000,000 and take eighteen months.

Mr. MACDONALD (Kingston City): About $3,500,000, I think.

Mr. HANSON (York-Sunbury): Please do not guess over there.

Mr. HOWE: I will take that back. My recollection may have been at fault. It may have been a larger programme that was to cost $8,000,000, perhaps involving the power to operate the mill. It would cost as much as the original investment in the mill to put it in operation, and it would take a very considerable period of time. However, we are considering the basic requirement, which is more ingot capacity, and something will I think be done in that direction.

Coming to the question of shipbuilding, I appreciated the moderate tone of the address of the hon. member for Davenport (Mr. MacNicol), and I have read the *Hansard* report of what was said last night. I should like to make it clear that the government is going to build every ship in Canada that it is possible for us to build, using reasonable business judgment. We do not wish to start a number of building projects which cannot be successfully carried out and which will only have the effect of diverting effort from yards which have the experience and the equipment to do the job efficiently. We have placed up to the present contracts for twenty merchant ships of the 9,300-ton class.

Mr. HANSON (York-Sunbury): Twenty.

Mr. HOWE: Twenty, yes.

Mr. GREEN: Is that the British contract or is it—

DEPARTMENT OF MUNITIONS AND SUPPLY

OTTAWA

February, 1941

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Mr. HOWE: What is the difference between a British contract and a Canadian contract?

Mr. GREEN: I am simply asking the minister if that is the British contract to which there has been reference. There is no need for him to fly off the handle about the question.

Mr. HOWE: Well, we always have great distinctions drawn as to whether we are building for Britain or for Canada.

Mr. GREEN: I am merely asking if it is a British or a Canadian contract.

Mr. HANSON (York-Sunbury): What I was trying to envision—if the minister did me the honour to read the few remarks I made last night—was the establishment of a national shipbuilding policy for Canada to be effective from now on and after the war. I think it is very important. The present programme is for Britain.

Mr. HOWE: As a matter of fact a programme has been authorized for Canada. Unfortunately it takes time to organize an enterprise of this magnitude. A merchant ship costs around a million and a half dollars, and it is not sufficient just to step out of the door one morning and say, "I want to order ten of these ships." It takes a little prevision. But we have been studying the situation very intensely. The British government have spoken for the output of certain yards; and the Canadian government is going to have the output of the balance of the yards, and it is our intention to organize that output to the maximum extent which is reasonably possible.

Mr. HANSON (York-Sunbury): Now we are getting somewhere.

Mr. HOWE: I thought that in an earlier address I had made substantially that statement, because this project has been under way for some time.

We must organize not only the shipyards themselves but the raw materials, the plates, the boilers and engines, and all the innumerable fittings which go to make up a merchant ship. This is being done. We are studying sources of the required equipment. There is no use in building a hull if we cannot build a boiler which can be delivered to meet the hull when the boat is launched. The matter of brass fittings and other components of a merchant ship represents industries which must be expanded with the shipbuilding industry itself in order to prosecute a large programme of the kind. It is the intention to use existing yards to the fullest capacity, to build additional berths where additional berths can be built and manned, and after that, and only after that, to explore the situation as regards new shipyards.

Mr. HANSON (York-Sunbury): And the extension of the present shipyards.

Mr. HOWE: Well, as I say, extension of present shipyards comes first. That is what I referred to when I spoke about building new berths for existing shipyards.

We have not ceased from the commencement of the war to expand this industry. Anyone who will cast a look at employment figures in the shipbuilding industry will find that each month since the latter part of 1939 has seen a substantial increase in the number of employees in shipyards. We have expanded about as fast as we can expand, and therefore I suggest, because we have decided on an all-out shipbuilding programme, we cannot in a month double the number of men at work in the industry; it must expand as rapidly as possible, but in an orderly way. We must expand the supervision as we increase other types of labour, and that is what we are doing. We have had committees of experts on both the west and east coasts. The east coast committee arrrived back in town only last evening, and we shall have their report, as well as one from the west.

There is no difficulty about getting orders for boats. We have all the orders we can fill. There is no difficulty about steel. A modern plate mill of large capacity was started before the war and is coming into operation this month.

Mr. MacNICOL: Will the minister permit a question? I learned—I hope it is not true—that in order to keep our present plate mills in operation we shall have to import ingots from the United States. Is that true or not?

Mr. HOWE: If we have to, I think it is only a temporary situation. As my hon. friend knows, the ingot capacity at two of our large steel plants is being expanded very rapidly. I cannot say that there will not be a transition period when ingots must be imported, but we shall have a balanced operation very shortly, if not immediately.

We believe that we can expand boilermaking and engine-making facilities to meet requirements. That is being studied in a systematic way. We believe also that we can extend the facilities, which are at present overcrowded, for the making of brass ancillary equipment, so as to meet all requirements of that kind. But to approach a project of this sort, which will involve the expenditure of a great many millions of dollars, in any spirit but one of caution, would bring results,

I believe, which would be disappointing to hon. members and to those immediately responsible for the development.

We are placing this merchant shipbuilding in separate and, I think, most capable hands. I hope to be able to report in a day or two to hon. members the whole organization for carrying out the merchant shipbuilding programme, and I believe that the house will appreciate the fact that we have organized the operation on a very sound basis.

The matter of geography is, of course, important.

We have undertaken other programmes—for instance, a very large gun programme. Eventually guns will constitute about one-third of all the munitions made in this country.

Someone has said that we should have a shipbuilding industry at New Glasgow. I cite that city as an example, because it is being mentioned here. We are being asked to erect a great number of new houses in New Glasgow because the people engaged in industry there cannot find places to live. That indicates, it seems to me, a rather undesirable situation. It means that there has been a considerable transference of population from other locations to New Glasgow. To increase the congestion by adding yet another industry in that locality would, I assume, seem to all hon. members to be unsound.

We are undertaking in Halifax a large housing programme. That of course cannot be avoided, because there has been a large transference of population to the city from all parts of Nova Scotia. A great deal of activity centres in that area, and it must be the centre of an active ship-repairing industry. Almost every ship which comes into the harbour needs repairs of some kind, and we must have facilities there to effect those repairs promptly. Therefore it will I think be impossible to centre a great merchant shipbuilding industry at Halifax. To do so would mean further transfers of population to that point and a further considerable expansion in housing. I believe the people of Halifax themselves would consider such a mushroom expansion of that very fine old city a mistake. I am sure it would be in the long run.

Mr. HANSON (York-Sunbury): Why not go to Saint John, then?

Mr. HOWE: Well, in Saint John we are said to have a housing programme; we are not satisfied that that is the case, but there again we have a great deal of activity. Second to Halifax it is the busiest harbour in Canada; in fact the tonnage passing through the harbour of Saint John is greater than that loaded at Halifax, for the reason that Saint John is loading a great deal of bulk materials such as wheat and timber. We have at Saint John a shipbuilding industry and we are doing our best to expand it. We think it is possible to expand to a point where we shall be able to build merchant ships in Saint John; we hope so, although there has been very little surplus labour for assignment to the small programme of corvettes that we put on in that yard early in the war.

I can say to all hon. members that we are exceedingly anxious to make this programme of merchant shipbuilding the largest that Canada can possibly execute. If on examination we can find any way of enlarging the programme on sound lines and with reasonable prospect of success, I can assure the committee that that avenue will be followed to its end.

Mr. HANSON (York-Sunbury): I feel greatly heartened by the statement just made by the Minister of Munitions and Supply. I wish to convey to him my thanks for the clear, succinct way in which he has laid before the committee in general terms what it is proposed to do. We shall watch with interest the development of this programme of commercial shipbuilding, and for the announcement which he said he hoped to be able to make in a few days.

May I remind the committee that this statement was in marked contrast to the statement made by the Minister of National Defence for Naval Services last evening. On the one hand you have a sane, cautious statement of progress; on the other you have every evidence of defeatism.

Mr. MACDONALD (Kingston City): I thought I had dealt with the question of defeatism last night. If defeatism means looking at facts, of course I plead guilty to being a defeatist. But my hon. friend is not going to turn me into a defeatist simply by saying that I am one. I have never suggested at any time that ships of any size whatever could not be built in Nova Scotia. The question last night turned on remarks made by the hon. member for Cumberland and the leader of the opposition himself and the hon. member for Weyburn. As I understood the discussion, it turned on the attitude which the government had taken towards the shipbuilders of Nova Scotia. I endeavoured to state the reasons why these shipbuilders had not taken advantage of the opportunities which they had to construct ships—wooden ships, because that is the only sort of ships that in the circumstances could be constructed in Nova Scotia to-day. And for making that statement as frankly as I could make it my hon. friend

now borrows the phrase which the hon. member for Cumberland borrowed from a newspaper in Nova Scotia.

What I really wished to do was to commend the tone and temper and spirit of the remarks made by the hon. member for Davenport. My hon. friend did not traverse the ground gone over last night with regard to wooden ships; he confined his remarks to the question of cargo ships, and expressed the hope that a long-range plan would be evolved here which would permit the building of cargo ships in Nova Scotia. He was perfectly correct in his reference. He went on to refer to the great advantages of that province for cargo shipbuilding. He spoke of the steel plant at Sydney, which is capable—by the expenditure of some money, of course—of rolling plate; he spoke of the coal available near the plant and the great bodies of iron ore in Newfoundland within easy reach of Sydney by water. All of these essentials to the making of steel or the construction of ships are within the empire; all except the iron ore are within Canada. And that of course is a fact that must be given consideration.

My colleague the Minister of Munitions and Supply has made his statement on cargo ships. That matter comes within his province and I am not going to dwell on it further or say anything more at this stage, except that when in the heat and turmoil of debate hon. members sometimes make statements which they afterwards regret—as I know they do—it becomes all the more important that when an hon. member on the opposite side makes some remark with which his opponent can entirely agree, approbation should be expressed. I am delighted to say once more with what pleasure I listened to the remarks of the hon. member for Davenport, and with what benefit I think hon. members listened to his sane and careful analysis of the cargo shipbuilding situation in this country.

Mr. JOHNSTON (Bow River): I was pleased to hear the statement of the Minister of Munitions and Supply in regard to shipbuilding. It was somewhat reassuring. I would not attempt to minimize the importance of the task the government have on their hands in this matter. Probably under the circumstances the minister is doing about as well as could be expected. But as I listened to the ministers I could not help thinking that hon. members would have to decide which was right, because having heard the Minister of National Defence for Naval Services last night, and the Minister of Munitions and Supply this afternoon, I am convinced that one or the other is wrong. I am not satisfied with the statement made by the minister last evening, because if what he says is true—and I am by no means saying it is not—then there has been great and sad neglect of the shipbuilding industry in this country. And of all the industries that need to be well and efficiently conducted, the shipbuilding industry is foremost; for we have heard over the air on several occasions of Britain's great need of ships.

The minister for naval services told us last night that they could build more ships here than they had the personnel to handle. I recall a statement being made in a broadcast from England that they had sufficient personnel over there to man the entire United States fleet if it were turned over to them.

Mr. MACDONALD (Kingston City): I do not wish to interrupt my friend, but I should like to say when I spoke of personnel last night I was speaking of personnel for naval ships, not for merchant ships.

Mr. JOHNSTON (Bow River): That is exactly what I am speaking of. I believe it was Lord Beaverbrook, although I cannot say definitely, who made the statement, with reference to naval ships, that if the United States were to turn over their complete navy to Great Britain, she had already a trained personnel to man the whole fleet. For us to assert here that the reason we have not more ships is that we have not the personnel is to confess that there is something wrong, and that should not be an excuse. I was struck by one remark made by the Minister of Munitions and Supply a moment ago. He said we would carry on the largest programme—speaking of naval affairs, of shipbuilding—that Canada could afford. Surely we are not to infer from that statement that our shipbuilding will be curtailed or held back by the amount of money we have now for that purpose, because I am convinced that you cannot tax the people any more if you are going to have any regard to what they can afford. If we curtail our programme by the amount of money that we can tax out of the people, further than we are already doing, then we are not going to make much progress.

Mr. HOWE: Was my hon. friend quoting me as saying that we will build what we can afford?

Mr. JOHNSTON (Bow River): I understood the minister to say that we would have the largest programme that Canada could afford.

Mr. HOWE: No; could do physically.

Mr. JOHNSTON (Bow River): That is an entirely different thing.

Mr. HOWE: I said, do physically.

Mr. JOHNSTON (Bow River): I am glad of the correction; otherwise it would be a terrible state of affairs to have at this time.

Mr. HOWE: I did not say that.

Mr. JOHNSTON (Bow River): I accept the correction.

I turn now to *Hansard* of yesterday, and if I am wrong in my criticism I hope the Minister of National Defence for Naval Services will correct me. No one is more concerned about this problem than I am, because, as I have stated before, I think we should have one of the most efficient navies it is possible for us to build; and never on any occasion have we in this corner ever advocated any diminution in our defence. The opposite is true; we have insisted that our defence be carried on to the maximum. On page 2074 of *Hansard* the minister is reported as having said:

> If my hon. friend can name me any yard in Nova Scotia which is capable of building ships for war purposes and has not been given an opportunity of bidding on these ships, I should like to have its name.

That is a wrong attitude. It is not up to the minister to ask any member of the house whether he can find shipbuilders who are willing to build ships. That is definitely his responsibility, and if he does not know, it is time he ascertained. He says that there were twenty-four Fairmiles to be built at an average cost of $100,000 each. There was a need for Fairmiles, for twenty-four of them, and so great was this need that the department went to special pains to send a man to Nova Scotia to investigate the possibilities of shipbuilding there. Let me read what the minister said, as reported on the next page of *Hansard:*

> The department sent down the director of shipbuilding to examine the yards and see whether they were capable of undertaking this work.

They sent one of their own inspectors to Nova Scotia to see if they could handle this work, and he made a report to the effect that there were from six to ten shipyards there capable of making this type of ship. The government must have been desirous of getting this information, of finding out the number of shipyards that could build these ships—why? Because they needed them; Otherwise it would be foolishness to send a man there for that purpose.

Bids were asked for, but only three tendered. Out of the number ranging from six to ten, when bids were asked for, only three tendered. Let me point this out. The situation was urgent, because, as I say, they sent an inspector to investigate the possibilities of having ships built there. I repeat, they found from six to ten yards that could and should build these ships, and when tenders were called for, only three were received, and of that number only one was near the price. The minister said that there were in British Columbia bidders whose bids were $25,000 below that price. These people in Nova Scotia, this one who did put in his bid, did so at an excess profit of over $25,000. So the minister, rightly so, said, "I won't give you that contract." But my point is this. Here is an industry which is essential to Canada—taking the minister's own word for it—which would not take a contract unless they received, in the words of the Prime Minister, blood-money—absolutely. There is no question about it.

Some hon. MEMBERS: Order.

Mr. HOWE: Surely that is not a fair interpretation. The yard was not tuned up to build that type of boat, and I have every reason to believe the men gave an honest tender. They tendered on what they thought it would take to build a boat, giving their best opinion. But it is a different matter to bid against an existing yard that has the experience and personnel to build that type of boat, and that is what they were doing when they bid against the Pacific coast yard.

Mr. JOHNSTON (Bow River): The minister said they sent an inspector to investigate before the bids were put in and found that the yards were capable and efficient enough to do the job, and as a result of the investigation an opportunity was given them to bid. When they did submit the bid they were $25,000 in excess of the company in British Columbia. The price quoted by the minister was not to exceed $100,000 for the hull. I say, therefore, that there was an excess profit, a good big one of over $25,000, in the minister's own words. There is something wrong there, and it was so astounding to the minister, he was no nearly shocked to death, that he said:

> So amazed was I at the discrepancy in prices that I suggested to the Minister of Munitions and Supply and to the director of shipbuilding that Nova Scotia shipbuilders must have made some mistake, that presumably they had misunderstood the specifications, and that they should be given another opportunity.

They were given a second opportunity. If these companies could not have built these ships according to specifications, and in an efficient and economical way, why should they have been given a second chance? I am assuming that the minister investigated the matter, as he said he did, and found the companies efficient, and yet they were $25,000 over the other.

Mr. MACDONALD (Kingston City): May I ask the hon. member one question. Does he think that every efficient manufacturer of an article can always supply that article for the same price?

Mr. JOHNSTON (Bow River): Surely the minister does not contend that a difference of twenty-five per cent, one-quarter additional price, is anywhere near the same price —$25,000 in excess of the British Columbia price. Make no mistake about it, the British Columbia people were making a profit of at least ten per cent; they were not doing it for nothing. They were making at least ten per cent, or they would not bid, and this company raised that price by $25,000.

People who would do a thing like that in time of war should be classed as saboteurs, and nothing else. If the statement is true—and I am assuming the minister told the truth—that would be so. If the hon. member wishes to put a different interpretation upon it, I would not contradict him. The minister says that as a result of this careful investigation and placing these bids before these companies on two different occasions, the result is that of the twenty-four Fairmiles only two are being built in Nova Scotia. What is the conclusion? The conclusion must be this, that the government wanted twenty-four of these ships built, and could not get more than two built in that particular locality. It is not because these companies were not efficient, not because they were not capable of doing the work, but merely because they charged such a price that the government could not possibly give them the order. Yet the people of Canada have to subject themselves to military conscription. They have to go overseas and fight, possibly give their lives for their country for $1.30 a day. Then the minister asks us in the House of Commons if we would desire to have them taken by the necks. I say that is exactly the place to take them by—right by the necks, and literally, too.

Mr. POTTIER: May I ask a question?

Mr. JOHNSTON (Bow River): The hon. member will have his chance to speak.

Mr. POTTIER: Has the hon. member ever been in a shipyard? Has he had any experience in shipbuilding? Has he ever gone through a shipyard?

Mr. JOHNSTON (Bow River): I do not think the Minister of National Defence for Naval Services has, either.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver Centre): That is not an answer.

Mr. JOHNSTON (Bow River): If he has, then it brings strongly into question the capability of the Minister of Munitions and Supply, because they certainly do not agree, one with the other.

Mr. MACDONALD (Kingston City): Will the hon. member point out where the Minister of Munitions and Supply and I differ? Will he give one specific instance in connection with this matter?

Mr. JOHNSTON (Bow River): Please do not ask me to point out the difference, because I should not like to go that far.

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: That is drawing a red herring across the trail.

Mr. JOHNSTON (Bow River): I am just stating that that is the minister's own statement in *Hansard* of yesterday. I am saying this, that if it is not—

Mr. HOWE: In all fairness, I think my hon. friend is throwing words around recklessly. If he opened tenders as frequently as I do, he would not be shocked by seeing tenders that are 25 per cent above other tenders. Sometimes contractors are in a position to do a job cheaply, and sometimes they are not. Sometimes a contractor is organized for a particular kind of work that is going on, and sometimes he is not. It is our job in placing work to pick out contractors organized to do the job in hand. In that way we get the work done more cheaply. My hon. friend is talking with an inside view of a marine industry, and I suggest that anyone would hold the view that one should know his industry before making charges of incompetency and sabotage.

Mr. JOHNSTON (Bow River): I am not the Minister of Munitions and Supply, but I am going to put that interpretation upon it. I am using his own words, his own phraseology.

Mr. HOWE: The hon. member is talking about an industry.

Mr. RALSTON: And the hon. member is drawing an inference.

Mr. JOHNSTON (Bow River): If the Minister of Munitions and Supply wishes to put a particular interpretation upon those words, I will not prevent him. What I say is this: After the government sent their inspector there and satisfied themselves as to the capabilities of this industry, they asked for bids, and there was a difference of $25,000 on a $100,000 contract.

Mr. HOWE: I may say that the inspection was simply to determine whether, if they were given the contract, they would be able to carry it out. It was to determine whether their facilities would permit them to carry it out.

Mr. RALSTON: Whether they would make money is a different matter.

Mr. HOWE: Whether they would make money or not depends on a great many things. First of all, it would depend on the organization of the yard. We often have a contractor taking a first contract and losing money on it. After taking two or three duplicate contracts, they are willing to lower their price, and they make money. But for any yard which has not been in the habit of building a ship such as the Fairmile to compete against yards which have been building that type of ship on the Pacific coast, I do not know why it should be so surprising that they would not be close to the mark. I would have expected that there would be a compensating factor which would let them bid closer to the mark. It is, however, only fair to say that in bidding for anything, at least they would use their business judgment. I presume they wanted the business. I believe they use their best judgment as to what the job will cost, and allow a reasonable and modest profit.

Mr. JOHNSTON (Bow River): I think the minister is right, to a degree. There would necessarily be a difference between the estimated costs of one company and another. Unless there were collusion, I do not see how two companies could offer to work for the same price. But even if we allow for that, and take into consideration the fact that the company in British Columbia had to make their profit, and that the other company went $25,000 over that—well, it does not just work out; that is all.

Mr. HOWE: It is quite possible that the shipyard in British Columbia may have been able to make a profit out of its price, and that the Nova Scotia company might fail to make a profit on the other price. It is possible and it can happen, depending on how well a company is organized to do that class of work.

Mr. JOHNSTON (Bow River): Now, just to leave that for a moment—

Some hon. MEMBERS: Oh, oh.

Mr. JOHNSTON (Bow River): I think the facts as stated will speak well for themselves. If anyone has any doubt he can read *Hansard* for himself, and I believe he will agree with what I am saying.

Mr. MARTIN: It is contrary to the rules of the house, incidentally.

[Mr. C. E. Johnston.]

Mr. JOHNSTON (Bow River): Then the minister had this to say:

> So far as I know, the shipyards of this country are not yet taxed to the full capacity. They are capable of taking care of all the business that is being offered.

That would simply indicate to me that we are not building ships to our full capacity. After the investigation the minister's department made, and after their statement respecting their desire for ships, we are told here that the shipyards are not being used to full capacity. What is wrong? That is one of the things I should like to know. I thought this was an all-out war effort?

Mr. HOWE: I have explained that on several occasions. The physical capacity of a yard might permit three shifts being worked. If labour sufficient to work three shifts cannot be got, then the shipyard is not being used to capacity. We have found in connection with several yards that we have not been able to man them to the extent of having three shifts.

Mr. JOHNSTON (Bow River): As I said at the beginning, I was in the position of having to decide between the judgment of the Minister of Munitions and Supply and that of the Minister for Naval Services. Not flattering him at all—and I should not like to do that—I believe I can say the Minister of Munitions and Supply is a fairly good business manager and, under the circumstances, is doing a good job. But what I am trying to get at is this: Who is right? They cannot both be right. They could not possibly be, because their statements are opposite.

Mr. MARTIN: Show where they differ.

Mr. JOHNSTON (Bow River): I have been asking.

Mr. MARTIN: You have been asked a question, and you have dodged it, as you always dodge everything.

Mr. JOHNSTON (Bow River): Then on the next page the minister is reported as follows:

> We asked for bids for wooden mine-sweepers, and again I may say that I hoped that most of them might be built in Nova Scotia.

That is reiterating what he said before. Apparently he is trying to set up shipbuilding in Nova Scotia, with apparently little success. Then he continues:

> These five builders accepted a contract and undertook to build two mine-sweepers each, but they had scarcely undertaken the work when two of these Nova Scotia builders threw up the work and said they could not go on with it.

That was after the governmental inspection. We must keep in mind the fact that they had been refused the chance to bid because of the excess prices they were charging. I say there is something wrong with the shipbuilding industry down there. Then the leader of the opposition had this to say:

Mr. Hanson (York-Sunbury): For what reason?

Mr. Macdonald (Kingston City): For one reason or another.

And again:

What the full reasons are I do not know.

That shows a lack of careful management.

Mr. MACDONALD (Kingston City): From what page is the hon. member quoting?

Mr. JOHNSTON (Bow River): Page 2076 of *Hansard* of April 1.

Mr. MACDONALD (Kingston City): Where are the words "what the full reasons are I do not know"?

Mr. JOHNSTON (Bow River): Near the bottom of the first column. To have a responsible cabinet minister—somebody says "irresponsible"; I would not say that, but it certainly is a matter of misjudgment—say that, shows that something is radically wrong and needs investigating. Possibly the whole department needs investigating, according to the admissions of the minister, who said:

They have been coaxed again and again to take the work, and the result of it all is as I have indicated.

That is in the second column on the same page. Why in the world would a cabinet minister coax and coax these fellows to take the work after the government had sent an inspector down there to investigate? Why should they be given two chances to bid? I never heard of a company being treated that way before.

An hon. MEMBER: Faint heart ne'er won fair lady.

Mr. JOHNSTON (Bow River): Perhaps they are trying to build up a political machine, I do not know. The hon. member may know more than I do in that regard.

Mr. MACDONALD (Kingston City): Where is the suggestion that I coaxed them?

Mr. JOHNSTON (Bow River): In the second column of page 2076 of *Hansard*.

Mr. MACDONALD (Kingston City): My hon. friend has made the statement that I coaxed these builders. I am asking him where is that statement?

Mr. JOHNSTON (Bow River): The minister said:

They have been coaxed again and again to take the work.

May I ask the minister who coaxed them?

Mr. MACDONALD (Kingston City): The government of Nova Scotia coaxed these men and called them together on at least two occasions, and sent delegations to Ottawa accompanied by a Nova Scotia minister of the crown. They are the people who coaxed these builders, not I.

Mr. JOHNSTON (Bow River): That makes it all the worse. We have the admission that the government sent out inspectors to investigate and pass upon certain contractors in a certain province. Then the dominion government gives these companies an opportunity to bid twice and they are given contracts which they cannot fill. That looks pretty suspicious. Then the provincial government had to intercede and coax them and send delegations to Ottawa to insist further that they get contracts. It just does not look so good, in fact it looks worse than it did before. The minister then went on to say:

—but I do not think it is of any use to make general observations like "every shipyard should be busy and all Nova Scotia shipyards should be working," when in some respects the yards themselves have not taken full advantage of the opportunities that offered.

To have a minister make that statement in the middle of a war is certainly pretty discouraging to the people of Canada. Every shipyard that can possibly be used should be used at this time. There certainly should not be any further delay.

The minister ended his remarks by referring to the hon. member for Weyburn in the following words:

If my hon. friend thinks we should take people by the throat and gestapo them into building ships when they do not want to build them, that is another story.

From the facts which have been presented, and having in mind the great urgency of procuring ships, having in mind the fact that we conscripted the youth of this country to fight—

An hon. MEMBER: When?

Mr. JOHNSTON (Bow River): Do not ask me when or I may tell you. Right after the election is when. This government solemnly promised that they would not conscript people, but of course they did. Did not we have three cabinet ministers stand up in their places and say that they would resign from any government which put in conscription? Yet right after the election it was put in.

Some hon. MEMBERS: No.

Mr. JOHNSTON (Bow River): The mere fact that a Liberal government break their word is not the question here; they have done

it so often. The fact is that we have conscripted men in this war and under the authority of this government. These companies refused to do this work, or at least they did not do it, but they were coaxed and coaxed to do it. We coax industry to do work, but we pass the mobilization act to put our young fellows in the trenches. That is not playing fair with the people of Canada. There is certainly no equality of sacrifice in it.

An hon. MEMBER: You don't know what you are talking about.

Mr. JOHNSTON (Bow River): If the hon. member will get up and talk it will be quite interesting to hear what he has to say about it. We should have an explanation from the Minister of National Defence for Naval Services. He and the Minister of Munitions and Supply should get a little closer together on this thing.

Mr. FRASER (Northumberland): May I interject just one or two remarks in connection with the statements made by the hon. gentleman who has just taken his seat? There were reasons why the Nova Scotia yards did not bid on the Fairmile boats, and one reason was that they were not as well equipped to build that type of boat as the Ontario yards. I understand that the contracts for the Fairmile boats were let on the basis of an average price, taking a horizontal cut of the tenders given. These Fairmile boats, which are very fast, are made largely of mahogany. Spruce is the wood generally used in Nova Scotia for planking. There was no oak in Nova Scotia suitable for ribs or frames, so their timber would not be at all suitable for the construction of these boats.

Mr. JOHNSTON (Bow River): Inspectors were sent down to investigate all that.

An hon. MEMBER: Learn something about it.

Mr. JOHNSTON (Bow River): I am trying to learn from the Minister of National Defence for Naval Services.

Mr. FRASER (Northumberland): I am simply trying to place on the record why the Fairmile boats were not built in Nova Scotia yards or anywhere else in the maritimes. The yacht yards of Ontario were especially equipped to build these boats and they had the organization and technicians available. They could build them to better advantage than could the yards in the maritimes. This is the main reason why the Nova Scotia yards did not tender on these boats.

Mr. ILSLEY: I should like to tell the committee the position of the department and the government in connection with this particular matter which we are asking parliament to vote. I shall then have to leave it to the committee to decide what will be done about it.

The $135,000,000 which we are asking for by this bill should be—I was going to say "must be", but I do not think I have the right to say that—made available to the crown before the Easter recess at the latest. The same thing applies to the further supplementary estimates for the year ended March 31, 1941, which have been referred to the committee of supply. The consequence of either one of these measures going over beyond the Easter recess will be that accounts, many of which have been held up now for several weeks, will not be paid until the end of April or perhaps in May. If by any chance they went over until the Easter recess into the month of May, we would have to make special provision because there is only one month of grace for payment of the accounts of the fiscal year that is ended. I was hoping that the committee, having discussed pretty much the same matters on the main bill for several weeks and on this bill for quite a number of days, would now facilitate the passage of this measure.

There are some subsequent sections on which hon. members will probably want to say something, but I should like to make it clear that it would be a great inconvenience, not so much for the government as for the people with whom the government deals, if by any chance either of these measures should go over beyond the Easter recess without being enacted.

I hope that to-morrow and the next day further supplementary estimates may be placed before the house and that they may go through rapidly. I will give an undertaking that if any hon. member wishes to raise later on upon other estimates any question which should properly be raised under these supplementary estimates, I shall take no exception to their being discussed.

Mr. MacNICOL: But what about the chairman?

Mr. ILSLEY: I do not think the chairman would object if we had it understood among ourselves that it could be done. I say that because I should like to have these measures passed if possible before to-morrow night. I do not know whether we can pass this one before six o'clock this evening but I hope hon. members will cooperate in seeing that this measure passes before Friday night.

Mr. HANSON (York-Sunbury): The minister was good enough to speak to me about this matter and I have given him my assurance that so far as the official opposition is concerned the government's proposals and

requirements will not be held up. The minister has given an undertaking that consent will be without prejudice to future discussion. But I do not see how we can pass this measure before six o'clock, because there is an important section of this bill, section 4(1) (e), and the interpretation that has been given to it, on which I desire to make some observations.

So far as we are concerned, the appropriation will be available before the Easter adjournment, by consent if necessary, on the undertaking and understanding that the minister has given. I give him that assurance now, but it will take me about half an hour to make the protest I desire to make in connection with section 4(1) (e).

Mr. GREEN: There is one feature in connection with this shipbuilding question which I think should be explained to the house either by the Minister of Munitions and Supply or by the minister for naval services. But before I point out this feature to the ministers I should like to say to the committee that fortunately I represent a seacoast constituency where they do build ships, and that I have been through several shipbuilding yards, so that perhaps there will not be the objection to my making a few remarks that there was in the case of some other members.

Last night I understood the minister for naval services to say that as yet there had been no money advanced by way of capital advance to any shipyard. As hon. members know, over $300,000,000 has been advanced to different industries by way of capital advance for building plants, extensions to plants, and so on, but I understood the minister to say that nothing like that had been done in the case of shipbuilding yards. We have had complaints from members from different parts of Canada that advances of capital were required by some of the shipyards. I do not know whether that is so in British Columbia, but the suggestion has come from members in some of the other provinces. I do think therefore that the ministry should make it quite clear whether it has adopted the policy of not advancing money for the expansion of shipyards or for setting up new shipyards. Is the ministry prepared or is it not to advance money for these two purposes?

The Minister of Munitions and Supply stated this afternoon that our new shipbuilding policy is to build all the ships that can be built physically in Canada. I hope that that is correct, but his own controller of ship construction and repairs, Mr. D. B. Carswell, said in Vancouver just about three weeks ago, as quoted in the Vancouver *Sun* of March 11, under the heading "Lack of funds delaying ships":

> Principal problem facing an "all-out" cargo and warship construction programme in Canada, which would involve establishment of new shipyards throughout the dominion, is the problem of finding the money for both ships and yards.
>
> This statement was made to the *Sun* to-day by D. B. Carswell, controller of ship construction and repairs in the Department of Munitions and Supply.

Then Mr. Carswell was asked the question:

> Is there not some way this can be overcome? Germany seems to be building ships and other war materials without money. Why can we not do the same thing in Canada?

And Mr. Carswell's answer is significant. He replied:

> That is a question the government will have to answer.

It is a question which I think the government should answer clearly. I have never been quite satisfied with the attitude of the Minister of Munitions and Supply with regard to merchant shipbuilding in Canada. Last year on June 14 I suggested to him—members will find the discussion at page 785 of *Hansard* that:

> The present would seem to be a good time for Canada to inaugurate a steel shipbuilding programme.

That was last June. The minister's reply, the essence of his reply, was this:

> Whether at a time like this we should divert the productive capacity of Canada to the peacetime operation of building merchant ships is, I think, questionable.

That was an amazing reply. I remember the minister more or less laughing at my making the suggestion that Canada should build merchant ships. I hope that he has had a complete change of mind since, and that he means it when he says now that Canada is going to adopt an all-out programme of shipbuilding. I believe there is no other question on which there is so much unanimity among the Canadian people as on an all-out programme of shipbuilding at any cost. They want every ship built in Canada that can be built, regardless of cost. Our distinguished visitor to Canada the other day, Mr. Wendell Willkie, made a clear-cut and definite appeal to the Canadian people which should be answered by the Canadian government when he said—I am quoting from the Ottawa *Citizen* of March 25:

> I want to say to you, if I learned one thing in Britain it is that one of the keys to our victory depends upon the people of Canada, the people of the United States, supplying more and more ships.

Then he went on to point out what ships mean to Great Britain, and he said:

> I plead with you, citizens of Canada, I plead with my fellow countrymen across the border, give every ship, give more than every ship, give

more than every ship that is free and unnecessary, give ships until it hurts, keep them going, keep them going and victory, then, is sure.

To that appeal surely every Canadian says, amen. I hope the government will go all-out on this question. Perhaps the fate of our whole civilization depends upon whether or not ships can be produced in this western hemisphere, and I hope the Minister of Munitions and Supply or the Minister of National Defence for Naval Services will give us the definite, clear-cut assurance that Canada intends to go to the limit in building merchant ships, and that the matter of funds will not be allowed to hamper their construction.

Mr. MACDONALD (Kingston City): I should prefer that the question raised by my hon. friend in the last moment or two of his address be answered by my colleague the Minister of Munitions and Supply. He has made a statement here this afternoon, and if he wishes it amplified to-morrow to satisfy my hon. friend, he should, I think, undertake that duty himself.

With regard to the other question which the hon. member for Vancouver South (Mr. Green) asked, namely, whether the government has assisted shipyards, my statement last night was that, so far as I knew, the government had not. I have not had time to verify that at the Department of Munitions and Supply, but I am convinced the statement is correct.

As regards the remarks of the hon. member for Bow River (Mr. Johnston), I endeavoured to make the position clear, and I am sorry if it is not clear to any hon. members. Roughly speaking, there are two kinds of shipyards in this or any other country. There are those which build wooden ships, and those which build steel or iron ships. Very seldom does one find that the same yard undertakes the construction of both types; they are two separate businesses. All the Nova Scotia yards are wooden yards, and the only warships which they can build are these small types of warships, such as the Fairmile patrol boats and wooden mine-sweepers.

Mr. HANSON (York-Sunbury): That would not apply to Halifax.

Mr. MACDONALD (Kingston City): I excepted Halifax for the reasons which I gave last night. The Halifax yards are quite capable of building steel ships, but they are busy doing repairs. The Nova Scotia wooden shipbuilding yards form part of a group numbering throughout Canada, I estimate, from fifty to seventy-five. On the great lakes and the St. Lawrence there must be more than forty yards capable of turning out yachts, Fairmile patrol boats and mine-sweepers. On the west coast are located many wooden shipbuilding yards. I therefore assume that there are throughout Canada from fifty to seventy-five wooden shipbuilding yards. But what the hon. member for Bow River has not grasped is that these wooden shipbuilding yards are of no value in the present cargo ship emergency. We must build cargo ships of a sufficient size to justify their being put into transatlantic use. What these small yards can do is to build yachts or fishing schooners in peace time, and small boats in war time for naval purposes; that is, wooden boats about the size of the Fairmile craft.

The fact that certain builders in Nova Scotia did not undertake this work had no effect on the pace of the war effort in this country or in this empire. All that happened after the Nova Scotia builders, except one who took a contract for these Fairmile boats, were unable to undertake the work, was that we went to the builders on the great lakes and the west coast and said, "You do it." That did not in any way impede the progress or the speed of our war effort. It is as if my hon. friend went into a store in this city to-day and asked for a pair of boots of a certain style which the store did not have; presumably all he would have to do would be to go to another boot store and get what he required. It is entirely wrong to endeavour to create the impression, as set forth by the hon. member for Cape Breton South, that the Nova Scotia builders are saboteurs.

Mr. HANSON (York-Sunbury): He did not say that.

Mr. MACDONALD (Kingston City): Yes, he said that. He said they could be considered either as saboteurs or profiteers, because either they were reluctant to help the war effort or they wanted to make too much money.

Mr. HANSON (York-Sunbury): That is not as I heard it.

Mr. MACDONALD (Kingston City): There are no more loyal people in this country than the people of Nova Scotia, including the shipbuilders; but anyone who has had to do with tenders knows that among even the most reliable contracting firms there will be variations in bids up to fifty per cent. One man may be better equipped, or may be a little more venturesome, or may have a better store of supplies on hand than another There are a dozen reasons which prompt one man to submit a lower bid than another. That does not indicate in any way that the latter is a saboteur or is indifferent to the war effort.

So far as the urgency of this matter is concerned, let me say that wooden shipbuilding yards in Nova Scotia or in any other part of Canada have nothing to do with the merchant shipbuilding programme. They can only undertake to build small boats, and the diversion of certain orders for these small boats from Nova Scotia to other yards has had no effect upon the naval programme of this country.

Progress reported.

WHEAT

TABLING OF REGULATIONS RESPECTING PAYMENTS ON ACREAGE REDUCTION IN WESTERN PROVINCES

Hon. J. G. GARDINER (Minister of Agriculture): Before the house adjourns, I desire to lay on the table the regulations passed under the authority of the War Measures Act respecting payments in the provinces of Manitoba, Saskatchewan and Alberta, and the Peace river district of British Columbia, of specified sums per acre on the number of acres taken out of wheat production and seeded to grass or coarse grains or summer-fallowed in 1941.

These regulations are of necessity not complete in that there are certain cases which will require to be dealt with on a basis similar to that which is finally decided upon in setting up quotas. A case in point is the occasional farm which grew no crop prior to this year. Such a farm is not covered in these regulations, but must be covered. There may be experiences necessitating further amendments in due course.

It has been stated by a number of hon. members that they would like to see these regulations referred to a committee for review and report. Some have suggested a special committee and some, the committee on agriculture and colonization. I am having the regulations distributed to hon. members this evening. It will be understoood that the preliminary work will of necessity have to proceed. If, however, hon. members after reading over the regulations think a committee necessary, I have no objection, but I would hope that the committee could sit immediately and complete its sittings if possible before the easter adjournment. The government has adopted the policy outlined in the regulations and feels it must be made effective at the earliest possible date.

Mr. ROWE: A pretty vain hope.

Hon. R. B. HANSON (Leader of the Opposition): I should like to make this observation. I think it would probably be desirable to have them referred to a committee, but, in the light of what we are doing in this house, with the budget to come down possibly on Tuesday, I do not see how it will be possible to have proper consideration given to these regulations between now and then.

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

Thursday, April 3, 1941.

The house met at three o'clock.

DEFENCE OF CANADA REGULATIONS

SECOND REPORT OF SPECIAL COMMITTEE

Hon. J. E. MICHAUD (Minister of Fisheries) presented the second report of the special committee on the defence of Canada regulations, as follows:

Your committee recommends that the defence of Canada regulations be amended by adding to regulation 26A, regulation 26B (1) and regulation 37A (1) the following:

Regulation 26A—add proviso

"and provided further that the provisions of this regulation shall not apply to persons who are nationals of and were born in Czechoslovakia, which, for the purposes of this regulation, means Czechoslovakia as it existed on the first day of January, 1938."

Regulation 26B (1)—add proviso

"and provided further that the provisions of this paragraph shall not apply to naturalized British subjects, who, at the time of their naturalization were nationals of and born in Czechoslovakia, which for the purposes of this regulation, means Czechoslovakia as it existed on the first day of January, 1938."

Regulation 37A (1)—add proviso

"Provided that the provisions of this paragraph shall not apply to naturalized British subjects who, at the time of their naturalization were nationals of and born in Czechoslovakia, which for the purposes of this regulation, means Czechoslovakia as it existed on the first day of January, 1938."

SUPPLEMENTARY ESTIMATES, 1940-41

SUSPENSION OF STANDING ORDER 28 ON THURSDAY AND FRIDAY, APRIL 3 AND 4

Hon. J. L. ILSLEY (Minister of Finance): Last night I spoke about the necessity of having the further supplementary estimates voted before the Easter recess. I should like to add that I think it essential that they be voted either to-day or to-morrow. The reason for this is that accounts are now in arrears, and if these supplementary estimates for the fiscal year just passed are not promptly voted, there will be rapidly increasing inconvenience. The same consideration exactly applies to the supplementary war appropria-

tion measure. Both these measures relate to expenditures for the fiscal year that is past, not the current year.

I spoke to the leader of the opposition (Mr. Hanson) about the matter, and he was good enough to say that he would do what he could to facilitate the passage of these measures in every way possible. I did not have an opportunity of explaining the matter to the leaders of the two other parties in the house, although I had a word with them just as I came to the chamber. I think, however, they will see the necessity for this procedure, now that I have explained it.

Mr. COLDWELL: We have no objection.

Mr. ILSLEY: I shall couple with my motion two undertakings for the protection of opposition parties in the house. Mr. Speaker, I move:

That the provision of standing order 28 relative to the consideration of estimates which have not been first taken up on any other day than Thursday or Friday be suspended on Thursday and Friday, the 3rd and 4th of April, 1941.

The reason why it is necessary to pass this motion is that in those supplementary estimates are votes for a number of departments which have not yet been taken up on Monday or Tuesday of any week during this session.

The first undertaking I would make is that we will use this motion only for the purpose of considering these further supplementary estimates; that it will not apply to the main estimates which we have not yet the right to take up.

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

Mr. ILSLEY: The second undertaking is this: Any questions hon. gentlemen would have the right to ask under these further supplementary estimates, but have not the time to ask or do not ask to-day or to-morrow, may be asked on some other item in the main estimates at a later time. I believe if the house understands this undertaking there will be no difficulty.

In view of those two undertakings I would hope that this motion might pass, and that we might pass the supplementary estimates for the past year, either to-day or to-morrow. It is our intention to have them taken up after the passage of the bill now before the house. I should hope it would be passed early to-day, for the reasons I have mentioned.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, that arrangement is satisfactory to us, but on the further understanding that the chairman of the committee of supply will observe the undertaking.

[Mr. Ilsley.]

He is an officer of the house. I do not know what control the government has over him, but I have felt in recent days that perhaps he was just a little bit too anxious.

Mr. COLDWELL: I did not hear the minister's answer to what the leader of the opposition has just said. Will the chairman give some latitude as well?

Mr. ILSLEY: It would be impossible for the chairman to give an undertaking, or for the government to give one in his behalf. I feel sure, however, in view of what I have said, that there will be no difficulty.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CENSUS COMMISSIONERS

Mr. ROSS (Souris):

1. What salary, allowances or other remuneration will be paid to census commissioners?
2. What other officials will be appointed in each constituency in connection with the taking of the census?
3. What salary, allowance or other remuneration will be paid to such officials?

Mr. MacKINNON (Edmonton West):

1. Not yet available.
2. Census enumerators.
3. Form 33.

British Columbia

Tables of Rates and Allowances for Census Enumerators—Census 1941

Enumerators shall be entitled to the following allowances:—

(1) Population—For every living person recorded on the population schedule (form 1) and for every "closed dwelling card" (form 6) and "absentee household card" (form 7) forwarded to the dominion bureau of statistics, each enumerator shall be paid an allowance of five cents.

(2) Housing (Form 4)—For every tenth house as enumerated per this schedule, the enumerator shall be paid the sum of eight cents.

(3) Agriculture—For every farm of five acres and over recorded on the general farm schedule (form 2), the enumerator shall be paid thirty-five cents. For every farm under five acres, he shall be paid twenty-five cents. For every fruits and vegetables schedule (form 2A) filled as per instructions on the schedule, he shall be paid twenty-five cents. For every abandoned or idle farm (form 2B), he shall be paid the sum of ten cents. For

every entry of "animals, animal products, fruits, gardens, etc., not on farms" (form 3), he shall be paid five cents per family.

(4) Merchandising and Service Establishments (form 11)—For every record of merchandising and service establishments entered on form 11, the enumerator shall be paid five cents.

(5) Blind and Deaf-Mutes (form 8)—For every record of blind or deaf-mute persons on form 8, the enumerator shall be paid five cents.

(6) Allowances for Expenses—In localities outside of cities, towns and incorporated villages, enumerators shall be paid in lieu of horse and motor hire and all other expenses and in addition to the rates provided above, an allowance of $10 per one hundred (100) names of persons enumerated in the population schedule (form 1). But these allowances shall not apply to sub-districts or regions provided for in the following instruction.

(7) Special Cases—In census sub-districts or regions of sparse population, remote from settlement and deficient in means of communication, the rates and allowances to enumerators shall be such as the dominion statistician, with the approval of the minister, shall direct; and the same rule shall apply also in sub-districts or regions where the services of an interpreter, a guide or other assistant to an enumerator may be required. But in no case shall an interpreter or guide or other assistant to an enumerator be employed, except within the written authority of the dominion statistician.

(8) Travelling Expenses for Enumerators—Census enumerators called to receive instructions from commissioners before commencing enumeration work shall be entitled when on such duty to actual expenses of travel by railroad or other conveyance and to cost of living at hotels or other places from the time of leaving home to return thereto, as shown by vouchers, and to an allowance of three dollars per day for time spent in receiving instructions as certified by the commissioner.

Form 32.

Manitoba—Saskatchewan—Alberta

Tables of Rates and Allowances for Census Enumerators Census 1941

Enumerators shall be entitled to the following allowances:

(1) Population—For every living person recorded on the population schedule (form 1) and for every "closed dwelling card" (form 6) and "absentee household card" (form 7) forwarded to the dominion bureau of statistics, each enumerator shall be paid an allowance of five cents.

(2) Housing (form 4)—For every tenth house as enumerated per this schedule, the enumerator shall be paid the sum of eight cents.

(3) Agriculture—For every farm of five acres and over recorded on the general farm schedule (form 2), the enumerator shall be paid thirty-five cents. For every farm under five acres, he shall be paid twenty-five cents. For every fruits and vegetables schedule (form 2A) filled as per instructions on the schedule, he shall be paid twenty-five cents. For every abandoned or idle farm (form 2B), he shall be paid the sum of ten cents. For every entry of "animals, animal products, fruits, gardens, etc., not on farms" (form 3), he shall be paid five cents per family.

(4) Merchandising and Service Establishments (form 11)—For every record of merchandising and service establishments entered on form 11, the enumerator shall be paid five cents.

(5) Blind and Deaf-Mutes (form 8)—For every record of blind or deaf-mute persons on form 8, the enumerator shall be paid five cents.

(6) Allowances for Expenses—In localities outside of cities, towns and incorporated villages, enumerators shall be paid in lieu of horse and motor hire and all other expenses and in addition to the rates provided above, an allowance of $7 per one hundred (100) names of persons enumerated in the population schedule (form 1), provided, however, that there is in the township a minimum of one hundred (100) persons. In whole townships where there is a permanent resident population but it is less than one hundred (100) persons, the enumerator shall be paid $7 per township. In fractional townships where there are less than 100 persons the pay shall be in proportion to the size of the township. But these allowances will not apply to subdistricts or regions provided for in the following instruction.

(7) Special Cases—In census subdistricts or regions of sparse population, remote from settlement and deficient in means of communication, the rates and allowances to enumerators shall be such as the dominion statistics, with the approval of the minister, may direct; and the same rule shall apply also in subdistricts or regions where the services of an interpreter, a guide or other assistant to an enumerator may be required. But in no case shall an interpreter or guide or other assistant to an enumerator be employed, except within the written authority of the dominion statistician.

(8) Travelling Expenses for Enumerators—Census enumerators called to receive instructions from commissioners before commencing

enumeration work shall be entitled when on such duty to actual expenses of travel by railroad or other conveyance and to cost of living at hotels or other places from the time of leaving home to return thereto, as shown by vouchers, and to an allowance of three dollars per day for time spent in receiving instructions as certified by the commissioner.

Prince Edward Island—Nova Scotia—New Brunswick—Quebec and Ontario

Tables of Rates and Allowances for Census Enumerators Census 1941

Enumerators shall be entitled to the following allowances:

(1) Population—For every living person recorded on the population schedule (form 1) and for every "closed dwelling card" (form 6) and "absentee household card" (form 7) forwarded to the dominion bureau of statistics, each enumerator shall be paid an allowance of five cents.

(2) Housing (form 4)—For every tenth house as enumerated per this schedule, the enumerator shall be paid the sum of eight cents.

(3) Agriculture—For every farm of five acres and over recorded on the general farm schedule (form 2), the enumerator shall be paid thirty-five cents. For every farm under five acres, he shall be paid twenty-five cents. For every fruits and vegetables schedule filled as per instructions on the schedule, he shall be paid twenty-five cents. For every abandoned or idle farm (form 2B), he shall be paid the sum of ten cents. For every entry of "animals, animal products, fruits, gardens, etc., not on farm" (form 3), he shall be paid five cents per family.

(4) Merchandising and Service Establishments (form 11)—For every record of merchandising and service establishments entered on form 11, the enumerator shall be paid five cents.

(5) Blind and Deaf-Mutes (form 8)—For every record of blind or deaf-mute persons on form 8, the enumerator shall be paid five cents.

(6) Allowances for Expenses—In localities outside of cities, towns and incorporated villages, enumerators shall be paid in lieu of horse and motor hire and all other expenses and in addition to the rates provided above, an allowance of $5 per hundred names of persons enumerated in population schedule (form 1). But these allowances shall not apply to sub-districts or regions provided for in the following instruction.

(7) Special Cases—In census sub-districts or regions of sparse population, remote from settlement and deficient in means of communication, the rates and allowances to enumerators shall be such as the dominion statistician, with the approval of the minister, may direct; and the same rule shall apply also in sub-districts or regions where the services of an interpreter, a guide or other assistant to an enumerator may be required. But in no case shall an interpreter or guide or other assistant to an enumerator be employed, except within the written authority of the dominion statistician.

(8) Travelling Expenses for Enumerators—Census enumerators called to receive instructions from commissioners before commencing enumeration work shall be entitled when on such duty to actual expenses of travel by railroad or other conveyance and to cost of living at hotels or other places from the time of leaving home to return thereto, as shown by vouchers, and to an allowance of three dollars per day for time spent in receiving instructions as certified by the commissioner.

SALT FISH BOARD

Mr. HATFIELD:

1. What are the names of the members of the salt fish board?

2. What is the normal occupation of each such member?

3. What salary, allowances and/or other remuneration is paid to each such member?

Mr. MICHAUD:

1 and 2. Dr. D. B. Finn, Ottawa (Chairman), Deputy Minister of Fisheries.

Burke McInerney, Halifax, Central Secretary, United Maritime Fishermen.

William Deal, Lunenburg, Captain of Lunenburg fishing vessel.

3. Chairman—nil.

Members—$10 per meeting provided that when meeting extends beyond one day remuneration shall be at rate of $10 per day for duration of meeting. Reasonable travelling and living expenses during absence from place of residence on board's work are also paid.

CANADIAN NATIONAL RAILWAYS—MONTREAL TERMINAL

Mr. BLACKMORE:

1. How much money was spent on the new Canadian National Railways station in Montreal during 1939?

2. How much was spent on the same in 1940?

3. What is the estimated amount of expenditure on the same for 1941?

Mr. CARDIN:

1. $2,174,590.82.

2. $3,599,075.82.

3. $4,100,000.00.

*HALIFAX, N.S., FIRE BOAT

Mr. ISNOR:

1. Has a fire boat been placed in operation at the port of Halifax?

2. If so, on what date was it put into commission?

3. Was the mayor of Halifax or any other city official notified in respect to the boat?

4. What is the name of the fire boat?

5. What is the pumping capacity?

Mr. CARDIN: This matter has been under consideration for some time, and I expect that a final decision will be reached very shortly. I can, however, assure my hon. friend that, pending negotiations, the situation is being adequately taken care of.

Mr. CHURCH: Call Admiral Duff.

ST. LAWRENCE WATERWAY—WELLAND SHIP CANAL

Mr. STOKES:

1. What was the original estimate of the cost of the new Welland ship canal?

2. What was the final cost of the canal?

3. What is the estimate of the cost of the work required to be done at the Welland ship canal under the St. Lawrence waterway agreement?

Mr. CARDIN:

1. No advance detailed estimate of the cost of the Welland ship canal was ever made. A rough preliminary estimate made in 1912 based on incomplete plans and quantities totalled $50,000,000.

2. The net capital cost of the Welland ship canal to March 31, 1939, was $131,899,609.59. The above figure includes the added cost incident to the shut-down for several years due to the war of 1914-1918, the abrogation of the original contracts and settlement with the contractors, the resumption of the work following the war, on a cost-plus basis, and, later, the reletting of the work to contract.

3. The estimated cost of the work required to be done on the Welland ship canal under the St. Lawrence waterway agreement is $1,100,000. This amount is necessary to complete the dredging in the canal to a depth of twenty-seven feet.

NATIONAL REVENUE—INCOME AND CORPORATION TAXES

Mr. BENCE:

What revenue has been produced by, (a) the individual income tax, and (b) the corporation tax, in each fiscal year since 1917?

Mr. GIBSON:

(a) Individuals

Fiscal Year	Amount
1917-1918	nil
1918-1919	$ 7,972,890 33
1919-1920	13,195,313 59
1920-1921	32,532,526 36
1921-1922	39,820,597 01
1922-1923	31,689,392 56
1923-1924	25,657,335 21
1924-1925	25,156,768 45
1925-1926	23,849,474 26
1926-1927	18,043,260 87
1927-1928	23,222,890 80
1928-1929	24,793,448 52
1929-1930	27,237,502 24
1930-1931	26,624,181 12
1931-1932	24,772,845 57
1932-1933	25,959,465 54
1933-1934	29,183,714 52
1934-1935	25,201,391 98
1935-1936	32,983,231 71
1936-1937	35,442,385 27
1937-1938	40,444,838 61
1938-1939	46,937,205 40
1939-1940	45,406,932 39

(b) Corporations

Fiscal Year	Amount
1917-1918	nil
1918-1919	$ 1,376,829 47
1919-1920	7,068,426 32
1920-1921	13,849,297 95
1921-1922	38,863,757 79
1922-1923	28,022,145 81
1923-1924	28,546,692 78
1924-1925	31,091,274 37
1925-1926	31,722,487 31
1926-1927	29,343,048 35
1927-1928	33,348,156 59
1928-1929	34,628,874 73
1929-1930	41,783,223 99
1930-1931	44,423,840 93
1931-1932	36,481,554 23
1932-1933	36,107,231 30
1933-1934	27,385,822 22
1934-1935	35,790,238 87
1935-1936	42,518,970 58
1936-1937	58,012,842 98
1937-1938	69,768,605 17
1938-1939	85,185,887 29
1939-1940	77,920,001 83

PRICES OF MEATS

Mr. FRASER (Peterborough West):

1. Has the war-time prices and trade board made any investigations into the retail price of meats?

2. If so, what increases have been discovered in the average retail price of, (a) beef; (b) pork; (c) hams; (d) lamb, in each of the cities

of Ottawa, Toronto, Montreal, Halifax, Saint John, Winnipeg, Regina, Calgary and Vancouver?

3. To what extent, if at all, have such increases enured to the benefit of the primary producer?

Mr. McLARTY:

1. The war-time prices and trade board maintains a continuous surveillance of the retail prices of meats in more than 200 cities, towns and villages in Canada.

2. Average retail prices for twelve different cuts or types of meats in Ottawa, Toronto, Montreal, Halifax, Saint John, Winnipeg, Regina, Calgary and Vancouver and for sixty other cities and towns are collected by the dominion bureau of statistics and are published each month in the *Labour Gazette*.

3. Average prices paid for live stock at all principal live stock marketing centres appear weekly in the *Livestock Market Review* issued by the Department of Agriculture and are published monthly in the *Monthly Bulletin of Agricultural Statistics* also issued by the Department of Agriculture.

NATIONAL FILM BOARD

Mr. TUSTIN:

1. What are the names of the members of the national film board?

2. What is the normal occupation of each member?

3. What allowances and/or other remuneration is paid to each member of the board?

4. What are the names, duties and salaries of all officials and employees of the board in receipt of a salary in excess of $1,200 per annum?

5. How was each such person appointed to his present position?

6. What number of officials or employees of the board are in receipt of a salary of less than $1,200 per annum?

Mr. MacKINNON (Edmonton West):

1. Hon. James A. MacKinnon, chairman; Hon. T. A. Crerar, Mr. L. D. Wilgress, Mr. C. G. Cowan, Mr. Edmund Turcotte, Mr. Donald Cameron, Dr. Georges Bouchard, Mr C. P. Edwards.

2. Hon. James A. MacKinnon—Minister of Trade and Commerce, Ottawa; Hon. T. A. Crerar—Minister of Mines and Resources, Ottawa; Mr. L. D. Wilgress—Deputy Minister of Trade and Commerce, Ottawa; Mr. C. G. Cowan—Managing Director, British American Bank Note Company, Ottawa; Mr. Donald Cameron—Director of Extension University of Alberta; Mr. Edmund Turcotte—Deputy Director, Board of Economic Reconstruction, Province of Quebec; Dr. Georges Bouchard, Assistant Deputy Minister of Agriculture, Ottawa; Mr. C. P. Edwards, Deputy Minister of Transport, Ottawa.

[Mr. Fraser.]

3. Payment of travelling and living expenses of out of town members attending meetings of the national film board at Ottawa.

4. John Grierson, Government Film Commissioner, executive officer of the national film board. Salary, $6,600 per annum.

5. Appointed by order in council.

6. None.

NATIONAL GALLERY

Mr. TUSTIN:

Who are the members of the board of trustees of the National Gallery of Canada?

Mr. CARDIN: H. S. Southam, C.M.G., chairman; Hon. Vincent Massey, P.C., Elwood B. Hosmer.

QUESTIONS PASSED AS ORDERS FOR RETURNS

AVERAGE REMUNERATION OF GOVERNMENT EMPLOYEES

Mr. ROSS (Souris):

1. What was the total number of employees of the government of Canada, including employees of commissions appointed by federal authority, on the following dates, viz.: July 1, 1930; September 1, 1935; September 1, 1939; January 1, 1941?

2. What was the average salary remuneration of such employees on each of the above dates?

PURCHASE OF BOOKLET FROM COCKFIELD, BROWN AND COMPANY

Mr. ISNOR:

1. Was the amount $40,147 paid to Cockfield, Brown and Company, Limited, Montreal, in 1939-40 the result of tender?

2. If so, what are the names and addresses of those who tendered and the respective amounts of their tenders?

3. If not by tender, how was the work assigned or arranged, and how much of the total amount was for, (a) lithographing; (b) printing; (c) designing?

4. What were the names of the firms who supplied half-tones, and at what cost?

5. Were any firms in the maritime provinces given an opportunity to tender on this work? If so, what are their names and addresses?

6. What was the name of the booklet purchased from Cockfield, Brown and Company, and how many were purchased?

7. Was a similar order placed by the bureau in the fiscal year 1940-41?

8. If so, (a) what was the amount; (b) who received the order; (c) was it by tender or how was it arranged?

RELIEF OF CHETICAMP, N.S., FISHERMEN

Mr. BLACK (Cumberland):

1. What sums of money have been expended for relief of fishermen in the district of Cheticamp, Inverness county, Nova Scotia, since September 1, 1940?

2. Who was responsible for the distribution of these relief funds?

3. Was a committee established to supervise the distribution of these funds?
4. If so, what were the names of the persons who served or are serving on such committee?

GOVERNMENT-OWNED PRIVATE RAILWAY CARS

Mr. SENN:

1. How many private railway cars are owned by the dominion government?
2. What was the purchase price of each such car?
3. What was the cost of maintenance and operation of such cars during the fiscal years 1940 and 1941?
4. What persons are entitled to use such cars and upon what terms and conditions?
5. What number of persons are employed by the dominion government to act as stewards, cooks, porters or in any other capacity on such cars?
6. What was the total amount of the salaries paid to such persons during the fiscal years 1940 and 1941?

THE BUDGET

PRESENTATION AFTER EASTER RECESS—STATEMENT AS TO EXCESS PROFITS TAX ACT

On the orders of the day:

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, I regret to inform the house that it will be impossible to have the budget prepared and brought down before the Easter recess. Before the recess, however, I will make a statement with regard to the Excess Profits Tax Act. I shall do so for the purpose of clearing up uncertainties in the minds of many taxpayers regarding this act.

Mr. HANSON (York-Sunbury): That is to say, the statement will cover what the policy will be in the budget?

Mr. ILSLEY: Not altogether, but it will deal partly with what we intend to do this session in reference to amendment to the Excess Profits Tax Act.

Mr. CHURCH: We will scare the taxpayers soon enough.

WAR APPROPRIATION

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

The house resumed from Wednesday, April 2, consideration in committee of Bill No. 25, for granting to His Majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

On section 2—Appropriation.

Mr. POULIOT: Mr. Chairman, there are a few questions I should like to ask in connection with these vast expenditures of money. Some days ago I referred to the fact that the report of the auditor general did not give particulars of expenditures below $5,000. If a man has several contracts for less than $5,000, or for $4,999.99, no particulars of those contracts will appear in the public accounts. I do not agree with that system. If the electors of this country want complete information about expenditures, and members of parliament are unable to supply that information from official publications, then it seems to me our present system is not fair to the electors who are entitled to information. The answer will probably be given that the Department of Munitions and Supply is furnishing monthly statements which give the names of persons, firms or companies which have received payments, and the amounts. For instance, these monthly statements will show payments to Swifts, to Canada Packers and to many other corporations. But this is not satisfactory information. It takes up a lot of space, but no hon. member can tell from the information how much money has been paid, say in six months, to Swifts, to Canada Packers, to the Dominion Steel corporation or to any other corporation or individual. A member of parliament would have to be an adding machine to know all the amounts paid to these corporations or individuals.

Even to supply members of parliament with the amounts paid would still not be satisfactory, because we would not know for what the payments had been made. Take Swifts and Canada Packers as an example. We know that they sell bacon, ham, beef, perhaps vegetables and many other items, and we should be told why money has been paid to them. It is not enough simply to know that such an amount has been paid to a certain firm; we should be told why it has been paid. The only way an hon. member can understand what has happened is to know the quantity of meat or food or clothing or munitions which has been bought from each firm or individual during a certain period. But that still is not enough information for hon. members. We should be told how many soldiers have been fed with that food. We should be told the price per pound in order that we may see if there is extravagance or graft.

We have nothing of that kind. I have a whole library of publications in my room but they mean nothing. I defy the minister to give me the information I asked for. That is the only way we can have a full understanding of the matter. There is no hon. member who would be crazy enough to take this library of books and play the role of an adding machine in order to get information.

Once there was a great mathematician who used to solve the most difficult problems. One day someone gave him a problem. There was a ship 515 feet long, 55 feet wide and with a depth of 16 feet; it had on board 9,000 tons of merchandise; there were 356 passengers, a crew of 125 men and 25 officers; the vessel had three masts, three funnels, two anchors and two propellers—what was the age of the captain? The mathematician worked on that problem for three days and finally found that the age of the captain was 56 years, 10 months, three days, six hours and ten minutes at the moment he dropped his pencil. It is not possible for members of parliament to make such calculations from the information we have. I do not pretend to be a good enough mathematician to discover the age of the captain from the information supplied to us monthly.

I do not say this in a critical way; I offer it as constructive criticism. For what was this money paid? We are not here to pass legislation, although there are a few bills on the order paper. Everything is being done by order in council by virtue of the War Measures Act. We are informed of what has been done six months after it has been done. We are here simply to vote subsidies, and in order to do that intelligently we should have the right kind of information. We are given what is supposed to be information, but what is only a mass of figures that run together. No one can use them to make intelligent comparisons or to obtain necessary information. How many soldiers are being fed with this food? How many soldiers are being equipped with this equipment? How many soldiers are being supplied with this ammunition, and what is the ammunition? These are not secrets of war. Since we have had no secret sessions I do not see why we cannot discuss these matters in the house.

I suggest to the government that they should change completely their method of giving out information. Instead of supplying us with large books containing information which is impossible to digest, we should be given statements that will convey real information to us and put us in a position to defend the policy of the government. What interest is it to the electors of any constituency to know that so much money has been paid each week to Swifts or to any other company? The people are not interested in that. They want to know how our soldiers are being fed, how they are being equipped, how they are being armed. I do not belong to that legion of *superiores* and *sapientes* which has invaded Ottawa. I am just a plain man who wants some information and who wants to be able to vote intelligently upon these expenditures of money.

There is another thing which is equally interesting. What amount of the money that has already been spent since the beginning of the war has been spent in Canada for the defence of Canada, and how much has been spent in England for the defence of England? That is a fair question. There are, of course, two schools of thought, one proclaiming that the defence of England is the defence of Canada, and the other proclaiming that the defence of Canada is the defence of Canada alone. These are two divergent views and I respect them both. But as representatives of the taxpayers we are interested in knowing how much money has been spent here for the defence of Canada, and how much money has been spent over there or in Canada for the defence of Great Britain. This is a question that any elector may ask of any one of us, and whether you are an imperialist or not you are bound to give an immediate answer. But we cannot obtain that information from the public accounts, and I regret that my hon. friend the Minister of Munitions and Supply is unable to answer that question, because the figures are not disclosed in such a way that even the minister himself could be informed on that question.

I want a hierarchy in each department, and I want a hierarchy in the government. My view is that the Prime Minister of Canada is the boss of this country and that each one of his ministers should be boss in his own department. So long as that condition obtains I am all for it.

But there is something else. It is not necessary to be an expert to study the tabulations and charts which have been furnished to us. I notice, of course, that there have been some changes in the Department of Munitions and Supply. I am not in a position to say whether they are for the better or the worse, but evidently what was done in the first place was not perfect because it has been changed. What has been changed may now be perfect, but I am not quite sure about that. We will see what happens later on. My remarks are made in a friendly spirit.

I have here two charts of the Department of Munitions and Supply. One of them, dated November, 1940, appeared in a periodical published in the queen city of Toronto, and the other was put on *Hansard* by the minister on February 26 last. A comparison shows that there have been some changes. In the first place Mr. Gordon Scott was financial adviser. After his untimely death he was not replaced. There is no longer any financial adviser. On the other hand there was a Mr. Aubrey Davis, who was technical

consultant on leather. He has since been promoted as special adviser to the minister. I wonder why Mr. Gordon Scott has not been replaced by another gentleman as financial adviser.

There are many other things I could mention, but I shall mention only one after a short preamble. The members of the house who sat here from 1935 to 1940 must remember that I protested vehemently when the power of purchase was taken from the Minister of National Defence and transferred to the Minister of Finance. I opposed it for the same reason that I opposed the policy respecting the comptroller of the treasury. It was altogether too much for the Minister of Finance to make the purchases required for national defence, and in fact for a time the Minister of National Defence was unable to purchase even a cap for a soldier or a can of bully beef or anything else because he was not responsible for payment for these purchases. As my hon. friends know who are in the legal profession or in business, no commercial transaction is completed unless there is a payment specified and authorized by one of the contracting parties. Therefore the whole matter of purchases with regard to national defence was for a certain time put under the Minister of Finance, and it was a real scandal. Some day I shall tell the house all the reasons why I objected so strongly. Finally, when the present Minister of National Defence became Minister of Finance he realized the absurdity of the whole thing, and shortly afterwards the defence purchasing board became the Department of Munitions and Supply, with a minister in charge.

That is all right. I have often advocated in this house that we should have ministers in charge of purchases for the war departments. The *raison d'être* of the department of munitions was precisely those purchases and the manufacture of munitions under the authority of a minister of munitions, a power which before was under the jurisdiction of the Minister of National Defence.

But when I turn to look at the most recent chart of February 26, I see that purchases are now made in a very different way. There is a purchasing branch. There are two directors general; a director, Mr. John Eaton, and a general purchasing agent; and there are divisions corresponding to a certain extent with the divisions for the production branch of the department of munitions. In law, one of the most interesting matters is the study of comparative legislation; and of course we must proceed by comparison to understand anything in the charts which are submitted to us.

There is shown, at the left, the munitions production branch; then there is shown the aircraft production branch. In the middle is shown the purchasing branch for all materials which the department is not manufacturing itself and which are to be supplied through the Department of National Defence.

I shall not at present discuss the production branch. I shall deal only with the purchasing branch, which is divided into: barrack stores; building and office supplies; clothing, foodstuffs; fuels, paints, lubricants, electrical supplies; government and controlled companies; mechanical tools and hardware; mechanical transport; medical and dental supplies; miscellaneous militia and naval stores. Those are the divisions of the branch. Besides there are the local purchasing offices.

Hon. members may be under the impression that all purchases are made by that branch. We have, however, representatives abroad who are responsible, not to that purchasing branch, but to the deputy minister. We have overseas accounting which is in the comptroller's branch, which has not—on the chart—to do with representatives abroad. I cannot see why the overseas accounting should not be on the chart with the representatives abroad; it is the same thing.

There is something else. In order to be fair to the gentlemen who are in charge of the purchasing branch of the department, all purchases should be made by them. There should be a hierarchy of that branch; the subchiefs should be responsible to Mr. Price, Mr. Price should be responsible to Mr. Eaton, and Mr. Eaton should be responsible to Mr. Gagnon and Mr. Malkin. Well, it is not so, according to that chart, and this seems to me to be fundamentally wrong. But there is more to it. Some other corporations have been constituted to make particular purchases independently of the purchasing branch. They are not responsible to the purchasing branch; they are responsible also to the deputy minister.

These government-owned companies are: Allied War Supplies Corporation; Citadel Merchandising Company, Limited; Fairmont Company, Limited; Federal Aircraft, Limited; Research Enterprises, Limited; Small Arms, Limited; and two new ones, Melbourne Merchandising, Limited, and Plateau Company, Limited. I have no information regarding the composition of these branches, but I have here the names of the gentlemen who form those government-owned companies. I will mention the name of the company, its purpose, the names of the president and the directors of

each except the two last ones, which I have not got, and I hope the minister will kindly supply them.

Company—
Allied War Supplies Corporation,
420 Lagauchetière street west,
Montreal, P.Q.
(Plateau 2151).

President—
Harold Crabtree.

Directors—
C. A. Dunning, Chairman,
W. D. Black,
Beaudry Leman,
Ross H. McMaster,
James Y. Murdoch,
J. S. Norris,
D. R. Turnbull,
E. A. Wilson.
(To supervise chemical and explosive programme.)

Company—
Citadel Merchandising Co. Limited,
333 Canada Cement Building,
Montreal, P. Q.,
(Plateau 9051).

President—
Thos. Arnold.

Directors—
L. J. Belnap, Vice-President.
John Johnson,
C. E. Gravel,
F. K. Morrow.
(Machine tools.)

Company—
Federal Aircraft Limited,
276 St. James street west,
Montreal, P.Q.
(Plateau 7111).

President—
Ray Lawson.

Directors—
A. Sidney Dawes, Vice-President,
Blair Gordon,
Russell Smith,
Allan Aiken,
Miller Hyde.
(To supervise Anson programme.)

Company—
Research Enterprises Limited,
701 Atlas Building,
Corner Bay and Temperance streets,
Toronto, Ont.,
(Adelaide 8817).

President—
Col. W. E. Phillips.

Directors—
G. H. Rainville,
W. E. Ross,
A. L. Ainsworth,
O. M. Biggar,
G. W. Sweny, Managing Director,
E. E. Burton (Prof.).
(To manufacture optical equipment.)

We like temperance streets in Toronto. I do not know what "Prof." is.

Company—
Small Arms Limited,
Long Branch, Ontario, and 1941 Yonge street,
Toronto, Ont.
(Mohawk 4319; Mayfair 4537).

President—
G. S. Braden.

Directors—
P. G. Bourget,
N. P. Peterson,
J. I. Simpson.
(To manufacture rifles.)

So we have these gentlemen in charge of companies for purchases, while there is already an organization in the department for that purpose. I do not understand it. Why this duplication? Later on I may show the business connection which exists between these men,—the ordinary business connections of these men whom we are asked to believe are supermen and in a position to handle this business better than anyone else. Well, there is one thing we all know. It is that these people, although they may be public-spirited to a certain extent, have been working until the war, and legitimately so, for personal gain. And this is not an attack, it is just an observation based on knowledge of human nature. No one can blame a man who is in business for trying to succeed as well as he can and to make personal gains which are legitimate. But the question is here. There are those who make real sacrifices for this country. Immediately behind those who are in the theatre of war are the politicians with the right spirit, who, very often, have to sacrifice their own personal interest to do the right thing, to serve their people aright, and to represent them as they are worthy to be represented.

Without casting aspersions on anyone, do you think, sir, that the amalgamation of personal interests can be mysteriously changed into public spirit? It is hard to say. Of course, we must consider human nature as it is; and if we are sitting here now it is because our constituents at the last election gave us a mandate, and the checking of public expenditures is something that we do in our capacity as members of parliament. Therefore we are entitled to all information. Members of the House of Commons ought not to be regarded as country cousins. I have said that once before and I repeat it. Although no one of us of the rank and file pretends to be gifted with superior qualities, we can all claim to be at least of the average, otherwise thousands of people would not have voted for us in the last election. When I say that I pay a compliment not only to my Liberal friends but also to the leader of the opposition and his supporters, to the leader of the Cooperative Commonwealth group and his supporters and to the leader of the Social Credit group and his supporters. It is a compliment I pay to all.

It is said that there is more wisdom in two heads than in one. How much more wisdom,

therefore, should there be in 229 heads than in 16? I should like to have some information from the minister about the regulations with respect to these government-owned companies. We know only that a company has been formed and certain gentlemen are in it. What are the regulations with respect to these companies, and why is it that the purchases have to be made by these people? I find it very strange. There is a good deal of mystery, particularly about the Allied War Supplies Corporation, and I am not the first one to notice it. The Ottawa *Journal* said so last year and wanted some information, and I have asked for a bit of information. But now that that company supervises the chemical and explosives programme I want to know more about it. I have expressed my views and made a few suggestions, and I have asked some questions. There are many liaison officers in the department. What are their particular duties? I do not say that in a purely critical mood; I say it by way of constructive criticism, for two reasons—so that members may have intelligible information given to them, and so that there can be a check upon foolish expenditure, or expenditure that is not for the real purpose of the war, but just to enrich a few. Such information would give members an opportunity to check what is being done and might prevent scandal and great embarrassment to the ministry. I notice that since I have been speaking the hon. member for Waterloo South (Mr. Homuth) has been sitting on our side, but I do not know whether he would be accepted by the party.

Mr. HOMUTH: It is because the hon. member quit that I came back.

Mr. BLACKMORE: I hesitate to take up the time of the committee, but there is a matter which I believe should be discussed under paragraph (c) of section 2, which reads:

(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.

Men everywhere are speaking of the need of cutting down our wheat acreage. Why? Because we cannot use our wheat production. We must stop growing wheat and start growing something else. But what shall that something else be? That is the question, and the answer no one seems to know.

Word has now come from Alberta that Canadian Sugar Factories Limited, with plants at Raymond and Picture Butte, have demanded a reduction of 1,300 acres in the sugar beet acreage in Alberta for 1941. The company says it has 200,000 hundredweight of sugar unsold; and yet Canadians in 1939 consumed 1,163,000,000 pounds of sugar! Of that amount only one-eighth was beet sugar!

Why should Canada not devote more acres to the production of sugar? This question must arise in every normal mind. People should exact a most searching, candid and minute answer from every minister in the government who is in any way concerned with the question.

Canada is raising each year about three times as much wheat as she can consume. She is storing it. Why should Canada not produce twice as much sugar each year as she is able to consume, and store it? Why is it that this question has not occurred to more people in the country? Sugar to Canadians seems one of the absolute necessities of life. Sugar will keep in Canada for a long time. Sugar can be produced in Canada cheaply, surely, plentifully, and in every way profitably to Canadians. In the name of common sense, why not?

To decrease our wheat acreage, a good method would be to increase our sugar beet acreage.

During the last few years Canadian total consumption of all sugar and Canadian total production of beet sugar have been as follows:

	Consumption (pounds)	Production (pounds)
1936.....	1,094,000,000	156,000,000
1937.....	1,031,000,000	120,000,000
1938.....	1,050,000,000	143,000,000
1939.....	1,163,000,000	169,000,000
1940 (estimated)..	1,155,000,000	.....

In 1939 our beet sugar production constituted 12½ per cent of our consumption!

To get a true picture of the beet sugar industry as a potential means of relief to our wheat problem, I point out that at least 300,000 acres of beet land would have to be used to produce Canada's total 1940 sugar consumption. At the same time at least 3,000,000 acres of land would have to be used in raising alfalfa or some other crop in order to provide the beet land.

The 300,000 acres of beets would have yielded the government during this last year, if we had been raising our own beet sugar, $52 an acre in revenue, which would amount to $15,600,000. It would, moreover, have saved the government 70 cents on each bushel of twenty bushels to the acre, at least, on 300,000 acres, or an amount of $4,200,000 for the wheat alone. In addition to that, there is the storage yet to be paid.

Some may ask, how do we estimate the amount of land necessary to produce the sugar that Canada would require? Eight per cent of Canada's 1940 estimated consumption

required 24,000 acres in my constituency. This I compute from a letter I received from W. F. Russell, secretary of the Alberta Cooperative Beet Growers Association, dated March 14, 1941, stating that 24,000 acres produced last year in the Lethbridge area, 934,664 hundredweight of beet sugar. Now 93,466,400 pounds is approximately eight per cent of Canada's estimated 1940 consumption of 1,155,000,000 pounds. To produce all of Canada's supply on land as good, and under conditions as favourable, as obtained in the Lethbridge area last year, would require 300,000 acres of beets.

What amount of land would have been removed from the production of wheat? How do we compute that? The total amount of land diverted from wheat or other production by the use of this 300,000 acres for sugar beets I arrive at as follows. Mr. Russell in the above-mentioned letter says:

> Every acre seeded to sugar beets will take at least ten acres out of wheat with a revenue to the government of at least $52 per acre from every acre seeded to beets.

Computing from these figures, we find that to raise the 300,000 acres of beets would take out of wheat production in Canada ten times 300,000 or 3,000,000 acres. This land would be the choicest of land. Upon it would normally be raised at least thirty to thirty-five bushels of wheat an acre.

Mr. MacNICOL: Does the growing of beets on the land take more strength from it than the growing of wheat, or does it benefit the land?

Mr. BLACKMORE: Growing of beets greatly improves the land. In the first place, there are, on the beets, numerous little roots which, when the beets are pulled, are left in the ground. These little roots tend to enrich the soil. Then, again, the beets strike roots deep into the soil, opening it up and admitting the air, this again greatly improving the friability of the soil.

Estimating the wheat yield on our ten times 300,000 acres at only twenty bushels to the acre, so as to be very conservative, we arrive at twenty times 3,000,000, or 60,000,000 bushels of wheat. That much less wheat to worry about should be a considerable relief to the government.

An hon. MEMBER: Could we use all the sugar?

Mr. BLACKMORE: I am talking on the basis of Canada's sugar consumption. I pointed out that Canada consumes as much sugar as, on the basis of Canada's 1940 consumption, it would take 300,000 acres of beet land a year to produce.

[Mr. Blackmore.]

Suppose Canada began to raise her sugar to some such extent as she is raising wheat, and stored the sugar against an evil day, which might easily come. If I might break in here just to say a word to the government, I would say I believe that as a government and as a people we are altogether too lethargic, altogether too self-assured; we assume that because things always have been all right, they are going to continue to be so. What would be the condition if German sea-raiders should get abroad upon the seas to the extent that they were able to destroy the ships that bring our sugar to Canada? There are other things which could occur in Canada which would destroy our present sources of sugar. Would the government not feel altogether blameworthy if it were found, in an emergency of that sort, that there was no sugar in the bowl, no sugar in the bin, and the people of Canada were without sugar? That is quite possible. We take great satisfaction in the fact that we have all this wheat as an assurance against future contingencies; we should be just as glad to have a similar store of sugar; for sugar is almost as near to being a basic necessity as wheat.

I proceed. Should Canada decide, in order to build up a reserve, to raise twice as much sugar as is required to supply her needs for a year, she could reduce her wheat production between 100 and 120 million bushels a year, at a conservative estimate. But, someone will object, the cost of buying and storing the sugar, as we now buy and store wheat, might be prohibitive. Let us turn to that matter for a moment or two. On the 1937 refiners' price basis of $4·006 per hundred, the cost of buying a year's sugar supply would be about $46,200,000 in a year. I multiply by four the 1,155,000,000 pounds which Canada consumed in 1940. Roughly, that is the means of making the computation. We arrive, then, at about $46,000,000 a year to provide Canada complete security with respect to sugar in that year. Storage could be provided at the factories in much the same way as we now provide extra storage at elevators for wheat.

To decrease our wheat acreage, our potential wheat carryover and our wheat storage problem; to build up a productive machine to provide our sugar supply; and to collect a safe sugar reserve, must surely offer a most attractive prospect to any loyal Canadian who is really interested in Canada's welfare.

Blessed is the nation that does not have to buy abroad. Blessed is the nation that can produce its needs of wheat, sugar, coal, wool, fruits and vegetables, lumber, and animal products. Hon. members will note that in that list the ones of which we do not produce

adequate supplies are sugar and wool. Such a nation can be rich and economically free, much as a farmer on a good, mixed, well equipped farm can be economically free.

John Maynard Keynes is reported to have said recently:

> Do not be deceived by the bogy of finance. It is no longer what it was. To-day it rears only a timid head. That is not the way it behaved in 1918 and 1919. In post-war reconstruction it is the physical things that will matter most, our man-power and our will-power and our capacity to have the necessary materials. We must go ahead on the basis of the physical realities of the situation.

If that means anything for Canada, it means surely that Canada should provide herself with the means of producing her sugar supply. Lord Balfour, acting as chairman of the meeting at which John Maynard Keynes is reported to have made those observations, is reported to have said that it was—

> —like a breath of fresh air to hear Mr. Keynes speak on finance as he did that day.

He was speaking at the housing centre in London, and the excerpt is reported in the Ottawa *Citizen* of March 26, 1941.

Surely an attractive prospect is possible for Canada; but Canada thus far has chosen to turn aside from the path to such an obviously sound objective. Her sugar beet acreage has been reduced 1,300 acres for 1941. Let us reflect for a moment upon the loss of finance and income she is to sustain by this ill-advised move. Let us study the meaning of these 1,300 acres of beets to the Canadian government.

What will that move cost the federal government in direct outlay? Those 1,300 acres will go into wheat on prepared, choice land, and will yield at least 35 bushels to the acre. This is in the Lethbridge area, where the record at the experimental farm respecting wheat produced on irrigated land for twenty-seven years has been an average of 52·8 bushels to the acre on one plot and 40·8 bushels on another.

The result will be that there will be produced on that land 45,500 bushels, which the federal government will be called upon to pay for at the rate of 70 cents a bushel, costing that government $31,850 in hard cash. That is the first payment we must make.

By next year there will be ten times 1,300 acres going back into wheat. One-half at least of the 13,000 acres, (the result of multiplying 1,300 by ten) or 6,500 acres will be planted to wheat, yielding 35 bushels to the acre, totalling 227,500 bushels. That quantity, at 70 cents a bushel, will total $159,250 the government will have to pay in 1942. That amount would buy a good many Spitfires.

In addition to that, the government will lose revenue estimated at 1,300 times $52, or $67,600. Besides that, it will lose its income tax and sales tax. It will lose the war savings people would have bought, and the revenues derived from tariffs on goods people in that area would have bought. When the computation is made, I believe the government will find that it is a good deal worse off because somebody blundered over sugar last year.

What will be the cost of that manoeuvre to the farmers and to the people generally? In the first place, there will be a loss of beets. We find that 1,300 acres yielding 14·10 tons to the acre—the 1940 yield—would amount to 18,330 tons. That amount, valued at $6.69 a ton, the 1938 price—and it will be noticed that I am attempting to produce the figures for years before the war—would bring about $122,627.70. This means that in 1941 there will be taken from the hands of the people who might buy war savings certificates an amount of $122,627.70, which might have been derived from beets alone in the Lethbridge federal riding.

In addition to beets there would be by-products—beet tops, beet pulp and molasses—equivalent to the meat-producing value of 1,300 acres of corn. The ordinary member of the house indicates quite clearly by his attitude while I am talking that he does not even dream of the possibility of the beet industry in Canada. It has not dawned on hon. members that the value of the by-products alone from an acre of beets is as great in the production of meat as is the value of an acre of corn, a product which has made so many states in the United States wealthy.

The beets, beet tops, molasses and pulp from 1,300 acres of beets will be lost to the people of Canada. Beet tops alone, when fed to lambs in an experiment extending over three years in Wyoming and Montana, where they are using a little better sense than we are using in Canada, were found to be valued at $1.30 for every ton of beets. That, again, is a complete loss right at a time when the mother country needs meats of various kinds.

The loss of sugar on the 1,300 acres, if we figure a yield of fourteen tons to the acre, which is a little less than last year, will amount to 18,200 tons. With a yield of 306 pounds of sugar per ton, which yield was obtained in 1939, this would represent 5,569,200 pounds of sugar. Taking a price of $6.15, which

was the price prevailing on March 29 before the government so ill-advisedly raised it, this would amount to $342,505.80.

In addition, as a result of this move, markets will be lost for certain raw materials. In the case of coal this would be worth $6,111. This would be all-Canadian coal, not coal brought in from Pennsylvania. In the case of lime rock the lost market would be $2,222. This also is a Canadian product. In the case of coke the value would be $1,000; boxes, et cetera, $11,666; bags and other essentials, $11,111; freight, $36,666, and labour, $19,444. That is the amount of the payroll of the men who would work in the factory processing the product of these 1,300 acres. Payments to growers and farmers would be $104,444. The figures I am giving are based upon statistics which will be found on page 15 of "Why Canada Needs Sugar Beets."

In addition, there will be lost in that area sales of clothing, shoes and other products of eastern manufacturers to an amount which no one can conceive.

A still further loss is the soil improvement which would come by way of increased fertility, increased fibre and increased tilth, as I indicated in my answer to the hon. member for Davenport.

As a result of this move, there will be fed in the Lethbridge riding 2,000 fewer sheep and 500 fewer cattle in the coming year, a year when we shall be needing sheep and cattle produced in the west.

What will be the cost to the Canadian economy? First, there will be increased unemployment; second, there will be less real wealth; third, there will be less price stability. May I stop for a moment to point out once more, as I have done scores of times in this house, that the cause of inflation in a country is the decrease of goods. This move will decrease goods in Canada, and therefore, will endanger the stability of our dollar and will be risking inflation. Fourth, there will be less economic security; fifth, less economic freedom and independence, and, sixth, less effectiveness in the war. These will be the effects upon our Canadian economy. In the case of 1,300 acres they may not be serious, but in the case of 13,000 acres they would be quite serious, in the light of conditions during and after the war.

Who is responsible for this magnificent achievement? He has small cause for pride. He has achieved something that will long stand to his shame. In the first place, the responsibility must rest upon the sugar controller; next, upon the war-time prices and trade board and, next, upon whoever gives them orders: first, in the government; second, through the government and, third, outside the government. In order to show that what I am saying is based upon good evidence, I should like to read from order in council P.C. 1983. I quote:

> 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 beet or cane now or hereafter in their possession at such prices as the sugar administrator, under the direction of the war-time 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.

I think the wording of that passage places responsibility directly upon the shoulders of the sugar administrator and the war-time prices and trade board. If they have received instructions from someone else, I believe they are entitled to have the Minister of Labour tell us about it when he gives his statement on sugar. I do not think it is quite fair to let people like them bear the odium of such a mischievous manoeuvre.

What can be the reason for this move to reduce this acreage by 1,300 acres at a time like this? Is it done in order that we may have cheaper prices in Canada? That seemed to be the idea conveyed in the minister's vague expressions we heard in the house the other day. If the move was designed to bring about cheaper prices in Canada, will someone tell me why there have been so many increases in the price of sugar since the war broke out? Why was there an increase of 35 cents on May 20, 1940? It might be said that this was brought about by the sugar administrator of Great Britain; I shall have more to say about that later on. Evidently the object of this scheming in Canada is not to make prices lower for the Canadian people. If it were, why the excise taxes by which the Liberal government has taken away from the people of Canada a total of $11,000,000 during every year of Liberal administration? It has taken it away from the poorest people. The tax is inevitable; everyone must pay. The suffering returned soldier getting $8 a month by way of pension has to pay his share, almost as great a share as that of the fortunate millionaire. Yet we have been talking about equality of sacrifice in this country!

Was this move made in order to ensure a stable supply of sugar? That was the next hint conveyed by the vague expressions the other day. If it was designed to ensure stable supplies, then why this move in the direction of placing Canada at the mercy of a group of bankers and big interests, of outsiders and foreigners who control, directly or

indirectly, the sugar establishments in the great sugar producing areas from which Canada is being made to draw her cane supplies? A real stability of sugar supplies for Canada lies in the establishment of a beet sugar industry. Let the government expend $35,000,000 in building factories of 1,600 ton slicing capacity in Ontario, Quebec, Manitoba, British Columbia and Alberta as a war measure. In ten years those factories, without exorbitant prices being charged, will all be paid for out of the profits, and there will be established in Canada a splendid stability, a source of wealth, security, power, financial integrity, good homes, population, prosperity, happiness and independence.

Mr. MacNICOL: May I ask, for information, whether as high a grade of sugar can be made from sugar beets as from cane sugar?

Mr. BLACKMORE: Yes. I went into that at length and with great care in my speech in this house on June 26, last year, and the hon. member will find in *Hansard* of that date that the evidence is conclusive that beet sugar is in every sense a complete equivalent of cane sugar.

Mr. MARTIN: From a nutrition point of view.

Mr. BLACKMORE: From every point of view.

Mr. MARTIN: I am with you.

Mr. BLACKMORE: Would such a proposition be a sound one for the government? The government is investing huge amounts of money in munitions plants and, before the war is much older, will be investing a great amount of money in homes, and in so doing, the dominion government are taking a highly commendable step. It is completely right that they should do so. To invest money in beet sugar factories would be to insure not only Canada's war supply of sugar but, as well, her post-war supply.

We can gather an idea of the soundness of the proposal from the record of the Raymond sugar factory in my constituency. It was established in 1925, when wheat prices were high, in the period called the "roaring twenties" in the United States, when not only wheat prices but prices of labour to harvest and handle wheat were high. It was an exceedingly difficult time in which to get people to plant and to handle beets cheaply enough to enable the producers to make a profit sufficient to carry on; but the Raymond sugar factory came serenely through those trying years, notwithstanding the fact that in 1928 in the early days of October a most unprecedented mishap occurred, a very severe frost which froze the beets into the ground and caused a tremendous loss to the sugar factories. Notwithstanding that, the Raymond sugar factory rode triumphant through the storm. More than that, it not only survived but competed successfully against cane sugar when prices to the refiner in Montreal were at the following rates, and I should like it to be noted that these are prices to the refiner—not wholesale prices—and less excise taxes:

Year	Price (cents)
1930	4·754
1931	4·552
1932	4·378
1933	4·323
1934	3·875
1935	3·832
1936	3·626
1937	4·006
1938	3·895
1939	4·109
1940	4·754

During all those years the price of sugar in Canada was as low as in practically any other country in the world. Canada was among the lowest in all the low-priced sugar producing countries. Yet the beet sugar factory in Raymond, and later in Picture Butte, competed successfully and came through with flying colours, and it is prepared to-day to be bigger and better than ever, if only there were people in Canada with the necessary intelligence to let them do it.

Mr. CASTLEDEN: Who is trying to stop them?

Mr. BLACKMORE: That is an interesting question which I shall deal with in a few minutes. The Canadian sugar factories have ordered their beet producers to plant 1,300 acres less this year than they did last year, the reason being given that they have 200,000 one hundred pound bags of sugar in their storerooms which the sugar controller, under the terms of the order in council, should have taken from them but which he chose to leave with them, thereby making it impossible for them to produce as much sugar next year, because they feared they would be unable to sell it. Thus it appears the industry is to be strangled to death.

Mr. CASTLEDEN: I am glad to get that statement. Is there any explanation why that action was taken by the controller?

Mr. BLACKMORE: I am going to examine that question. My hon. friend is asking a question which all the people of Canada should be asking. It was an unthinkable step for the controller to take, and that is the reason for my displeasure. That is why I rise to air the grievance of my constituency before we grant the king this money.

The Raymond sugar factory has a splendid record. Let me read to the committee some figures which will be enlightening to all who are interested to know, and which I have in previous times placed on *Hansard*. These figures deal with the 1937 beet sugar crop and are taken from the submission to the Rowell-Sirois commission by the Alberta Cooperative Sugar Beet Growers' Association. I quote:

Importance of the Industry

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 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.

That is the record.

The CHAIRMAN: I wish to remind the hon. gentleman that his time has expired.

Mr. BLACKMORE: I have not finished, Mr. Chairman. I was interrupted several times.

Mr. GERSHAW: Mr. Chairman, I want to stay well within the rules of the house, but I should like to discuss a few problems connected with our war-time economy.

Mr. BLACKMORE: May I not finish my speech, Mr. Chairman? I was interrupted several times.

The CHAIRMAN: If the hon. member asks for unanimous consent and it is granted, he may proceed.

Some hon. MEMBERS: Go on.

Mr. RALSTON: Could the hon. member not curtail his remarks now and deal with this matter on the budget if, in it, there should be a tax on sugar? If not, then may I suggest that all that my hon. friend has said is just so much surplusage. If there is in the budget a tax on sugar, my hon. friend will be quite free to present his argument then. I say that not only because of what my colleague the Minister of Finance has said but because of my own position. I have been sitting here for a good while. It has been said that the discussion of this matter has not been properly organized, but I find it difficult to see how it could have been organized in view of the desire of members to express their opinions on all sorts of subjects. It is, however, going pretty far afield, on this particular bill, to discuss really not the operations of the war-time prices and trade board, but the defects and merits of a tax on sugar. If my hon. friend, having consumed his forty minutes, could leave the matter to be discussed on the budget if the necessity should arise, speaking as one who is interested in this bill and in seeing it go through, and who has to sit here until it does go through, I would appreciate it.

Mr. BLACKMORE: I should be very glad to comply with the request of the Minister of National Defence, but I believe that at the present time this problem is of such great importance that it is worth while taking the time of the committee to discuss it. It will be noticed that our group has taken very little part in this long and rambling debate, which has now lasted for about six weeks, but there are some matters which we consider vital. I regard this particular question as vital, and there are several other hon. members who are deeply interested in it. If I were to finish my remarks, which probably would take only a few more minutes, they would serve as a basis on which to carry on a discussion of the sugar question. I do not feel that we can get an adequate discussion of the subject on the budget, when we cannot talk back and forth about the question; so, if it is not against the rules, I should like the privilege of finishing my speech.

Mr. ILSLEY: I have not raised any point of order. I do not know that there is any point of order to raise. I would, however, just suggest to hon. members that to some extent the eyes of the country are at present on parliament. If we are going to convert a discussion on a bill for granting to his majesty aid for national defence and security, into a long rambling debate on every conceivable subject—and they are as numerous as the sands of the sea, these speeches which are of tremendous constituency importance—

An hon. MEMBER: National importance.

Mr. ILSLEY: The hon. gentleman is making a constituency speech, and frankly says so. I do not see why, if he avails himself of this opportunity to make that kind of speech—and perhaps he can do so under the rules—every other hon. member cannot follow his example and make constituency speeches for weeks.

I would ask hon. members to exercise a little restraint in connection with a bill of this kind. Two general opportunities for discussion are provided for by the rules of the House of Commons. One is the discussion on the address in reply to the speech from the throne, and the other is on the budget. Beyond those two, I would kindly request hon. members, in the interests of the reputation of parliament, not to take this afield to an unlimited extent and with the enormous repetition which has been the case in this debate.

Mr. BLACKMORE: I appreciate the import of every word that the Minister of Finance has said, and I have sat quietly in my seat for weeks and weeks and never said a word. Other social crediters have done the same thing. This problem which is being discussed is not merely of importance to my constituency; it is of dominion importance. I have pointed that out time and time again. My constituency happens to be vitally concerned, and therefore I understand this situation to some extent, so that I look upon it as my duty as a member of this house to bring this matter of sugar to the attention of the committee at the present time. Why, it looks as though the people of Canada are going to be gouged and gouged and gouged to no limit in this matter of sugar. Therefore, with all deference to the ministers, I have made my request, and if it is within the rules, I am going to continue my remarks.

The CHAIRMAN: Order. The forty minutes allowed by the rules having been exhausted, and it being apparent that there is no unanimous consent, the hon. member must yield the floor to the hon. member for Medicine Hat.

Mr. BLACKMORE: This is now another speech. There have been two or three speeches since I spoke.

The CHAIRMAN: I have no latitude. It is the duty of the chairman to see that the rules are adhered to. The chairman is in the hands of the committee. The committee can at any time by unanimous consent suspend the rules, and the chairman is quite pleased when the committee sees fit to do that. Unless, however, the committee sees fit to do it, I must say that the hon. member's time is exhausted and I must give the floor to the hon. member for Medicine Hat, who was on his feet when the request was made.

Mr. BLACKMORE: Mr. Chairman, the only reason why I sat down was to listen while you gave your ruling. I had not finished my speech. If the committee chooses to make a special ruling or to rescind the rules in order to stop me from making a speech on beet sugar, I must bow to the committee's ruling. But I certainly believe that, in view of everything which has passed in the last six weeks, it would be a downright shame to do it.

The CHAIRMAN: The Minister of National Defence and the Minister of Finance have explained to the committee the urgency of the measure now before us and the reasons why unanimous consent cannot be granted at this hour, and that there will be other opportunities this session further to discuss the beet sugar industry. I think it would be hardly fair to express an opinion on the refusal of the committee to give unanimous consent, and necessarily I must apply the rule. I call on the hon. member for Medicine Hat.

Mr. McLARTY: The hon. member for Medicine Hat was kind enough to give me a few moments before he addressed the committee.

I do not intend to enter to-day into any debate on the problem of sugar. I wish to refer to only one statement that was made by the hon. member for Lethbridge. Most of his address has more reference to the Department of Agriculture and the Department of Finance than to the war-time prices and trade board. In connection, however, with the question of why a wider expansion of the sugar beet industry was not taking place, he cited as a primary cause the passing of order in council P.C. 1983. That order in council provides that all sugar refineries in Canada shall sell to the sugar administrator, as and when required by him, all raw sugar, et cetera; I shall not take up the time of the committee to read the whole paragraph. The hon. member has entirely misconceived the purpose for which that order in council was passed. It was passed for one specific purpose which has nothing to do with a limitation of sugar beet acreage.

At the time it became apparent that, in accordance with our dealings with the British sugar controller, there would be an increased price of sugar. It was well known that if that fact became widespread, the price of sugar would assuredly rise, that is both the retail and the wholesale prices, with the inevitable result that the refineries would make large inventory profits to which it was felt they were not entitled. The order in council had nothing to do with a limitation of sugar beet acreage. It had nothing whatever to do with any other purpose than that for which it was specifically passed. In order to avoid these profits on sugar which had heretofore been sold by the administrator to the refineries, it was provided that the administrator would repurchase that sugar at the

prices at which he had sold it to the refineries, and would immediately thereafter resell it to the refineries at the enhanced price. In other words, it was simply a method of giving to the government and the people of Canada the inventory rise which, in the normal course, would otherwise have accrued to the refineries.

I do not think there is in the hon. member's speech another point to which I need now refer. No doubt an occasion will arise when we shall have a more appropriate opportunity of debating the sugar question, and at that time I shall be glad to participate.

Mr. GERSHAW: I shall be extremely brief, but I do realize that the matter which was brought up by the hon. member for Lethbridge is one of urgency and extreme importance in a large part of this country.

We find that, in England, some 22 per cent of the sugar is made from home-grown material; in the United States, 25 per cent; whereas in Canada it is only 12·40 per cent. Furthermore, we find that the refiners are reducing and forcing the growers to reduce their sugar beet acreage. This is going to have a disastrous effect upon the economy of the people of that district. This is an industry which would help in some measure to bring up the income of agriculture, because figures have been produced in this house to show that the agricultural population of the country are not getting their share of the national income at the present time.

We have irrigation districts and there is great need for development of more irrigation. In years gone by, irrigation systems have been started and not completed, and in order to produce more sugar beets to balance our economy, if these irrigation districts could be completed a great benefit would result. With regard to the cattle industry, this government was fortunate enough to make an agreement with the United States—and the government deserves credit for it—whereby we are allowed a generous quota in the United States markets at half the previous rate of duty. We are not, however, altogether filling that quota, and the encouragement of the beet sugar industry would help the cattle industry through the use of tops, pulp, molasses and other by-products. A great benefit could be derived from this source.

In recent years the great unemployment menace was one of the worst things that struck this and other countries. Producing sugar from home grown raw material would provide employment for twenty times the number of people for whom producing the same amount of sugar from imported cane would provide employment. That is one big factor. Again, it has been rumoured and hinted that there in the near future will be a tax on sugar. I would appeal to the Minister of Finance so to regulate that tax that it will bear less heavily upon sugar produced from home-grown raw materials. I believe that, if the tax could be adjusted in that way, great benefit would result.

Someone has questioned the quality of beet sugar. I am quite sure that it compares favourably with that of cane sugar; it conforms exactly to the same chemical formula, and the people who are using it do not object to it. The prejudice against it is dying out and, under modern methods of manufacture, it is exactly the same as cane sugar.

We are engaged in a war of such magnitude that the very foundations of the temple of liberty and freedom are being threatened. We know that the months ahead may be dark, but beyond those months there are surely brighter things coming, and we hope that there will be a more ample life, more equality of opportunity, and better home conditions.

It has been said, and said by the Prime Minister, that we look for a new order to replace the old order; but if we wait until the war is over for that new order to come, we shall look in vain for it. It must be planned and prepared for and worked on. It cannot be reduced to writing at a conference, and so in preparing for the great rehabilitation problem which will face this country, some of the things I have mentioned will be of great value—irrigation schemes to provide homes, security for the people in those homes, and the encouragement of the beet sugar industry, the sheep industry, the cattle industry, to balance our economy and provide employment for those who will be released from war activities and for the strangers who will come to our land at that time.

Mr. GILLIS: When the house rose last evening, I was out of the chamber for a few moments, but on looking over *Hansard* to-day I find that the Minister of National Defence for Naval Services (Mr. Macdonald), in concluding his observations just prior to the adjournment, made the following statement with reference to the contribution that I had made to the debate. I wish to correct the impression he left. As reported at page 2114 of *Hansard,* he said:

> It is entirely wrong to endeavour to create the impression, as set forth by the hon. member for Cape Breton South, that the Nova Scotia builders are saboteurs.

Mr. Hanson (York-Sunbury): He did not say that.

Mr. Macdonald (Kingston City): Yes, he said that. He said they could be considered either as saboteurs or profiteers, because either they were reluctant to help the war effort or they wanted to make too much money.

With regard to what I did say, I will let *Hansard* speak for itself. I will quote the reference I made on that particular point, as reported at page 2102 of *Hansard*:

I was disappointed also at the statement made by the Minister of National Defence for Naval Affairs, when he attempted to analyse the reason why shipbuilding has not been carried on more extensively in Nova Scotia. He pointed out that at one time shipbuilding was the major industry of this province. He said also that shipbuilding yards in Nova Scotia had been asked to tender, but that very few had even put in tenders, and those who did were twenty-five per cent higher in their prices than shipbuilding yards in other parts of Canada. He could give no reasonable explanation for this. The minister's statement amounted virtually to an accusation against the shipbuilders of Nova Scotia of sabotage or an attempt to obtain greater profits than other shipbuilders. In the light of the present situation I think that is a serious statement to make.

Personally I do not believe that any such thing is true.

I proceeded to elaborate on what I thought were the real reasons why shipyards in Nova Scotia were not able to compete with shipyards in other parts of Canada. Perhaps the minister misunderstood, in listening to the debate, exactly what I said. At any rate, I regard his remarks on that particular point as a misrepresentation of what I did actually say.

Mr. COLDWELL: On behalf of our group I support the representations that have been made by the hon. member for Lethbridge (Mr. Blackmore) and the hon. member for Medicine Hat (Mr. Gershaw). I agree particularly with the hon. member for Medicine Hat, who said that we should be planning now for the after-war situation, and I am in thorough agreement with those who hold the view that the sugar beet industry of Canada is one that can be expanded to a very large degree during the war in order to save ship bottoms and supply our people with home grown sugar, transferring perhaps some of those who to-day are growing wheat and other commodities into a new line of production to meet the Canadian need. As has been shown by previous speakers, sugar beets would also provide valuable by-products. The by-products used for the feeding of cattle and so on are of material aid to the country at this time.

I do not wish to make a long speech; I think all that need be said in this matter is that we urge upon the government a reconsideration of the suggestion for acreage reduction in this regard; indeed, we go one step further and say that we believe the government should be giving every encouragement to the expansion of the sugar beet industry in Canada both as a war effort and as a valuable industry and asset to the country after the war.

Mr. RYAN: I think we should concur in the request made by the Minister of National Defence and the Minister of Finance to put off this discussion until some future date, because I understand the discussion this afternoon should not have taken place on this bill. I should, however, just like to say that it is not only Alberta, Manitoba and Ontario that are interested in the development of this industry; the province of Quebec is very much interested. I regret that more attention was not given by the government of Canada before to-day to this important industry in the interests of the farmer and also as something worth-while in the economics of Canada. I do not intend to take any more time at present, for the reason I gave at first, but I am pleased to note what the Minister of National Defence and the Minister of Finance and the Minister of Labour said, that we are going to have a further opportunity to discuss this problem of the beet sugar industry in Canada during the present session.

Mr. BLACKMORE: I think I am now in order to continue my remarks. It will take me a very short time to finish, but there are a few things to be said which I consider important.

When my time expired I was discusing the soundness of the proposal that the dominion government should either invest $35,000,000 in first-class beet sugar refineries or cause other people to invest that amount in order that we should have production in Canada of a sufficient amount to enable all the sugar needs of Canada to be met from Canadian production. I had just cited the record of Canadian Sugar Factories Limited in 1937, which I think was a most excellent record.

There are other reasons why the proposal that the dominion should support the beet sugar industry is sound. The costs of production of beet sugar are falling rapidly, contrary to the commonly accepted idea. There is at the present time, I read, a machine invented by a man named Hardy in the United States which will enable a man and a boy with one machine to top five acres of beets a day. Anyone who knows anything about the cost of topping beets will realize that this will greatly reduce the cost of producing beet sugar.

There is another machine which is described in the United States department of agriculture bulletin No. 488. This machine is designed to plant and block sugar beets much more cheaply. Then there are unusually fine machines being developed to unload and pile and handle sugar beets. All these dispense with labour and greatly speed up the process of making beet sugar and will unquestionably reduce the cost. Larger mills of 1,600 tons slicing capacity will cut down the unit overhead cost far below that possible for a 1,200 ton mill such as Raymond has. A longer campaign, say 120 days, will greatly decrease the cost of production, the overhead being much the same, and the number of days the factory runs being increased. The climate of Canada is especially adapted for a long run; in that respect being greatly superior to the climate of the main European sugar producing countries like Germany, Czechoslovakia and Roumania.

The explanation being given for this reduction of 1,300 acres is that it was brought about to help Britain win the war. It has been argued that the desire was to enable Canada to help to take the empire sugar supply. If that were the case, then will someone tell me why 200,000,000 pounds of sugar were imported in 1940 from Santo Domingo, 50,000,000 pounds from Cuba and 6,000,000 pounds from Haiti, all three non-British countries? And why were British ships used with the risk of shortage for Great Britain, and why was valuable foreign exchange which Canada could ill-afford spent for the buying of foreign sugar?

It is said that the reasons for this procedure are that the United Kingdom did not ration sugar until January, 1940; that the people, expecting rationing, bought heavily in Britain, and that during the last year the British West Indies crop was about 250,000 tons short and the Australian crop about 150,000 tons short. Every one of these is a reason why the sugar of the Raymond and Picture Butte factories should have been taken by the sugar administrator!

The Minister of Labour rose in his place in support of the administrator; I will ask him to deny this statement: that the sugar administrator is given control of everything pertaining to sugar in Canada, and could have taken the sugar from the Canadian sugar factories if he had so chosen. But he did not so choose.

Mr. McLARTY: He is under no obligation to take any definite amount of either preferential or full duty sugar whatever.

Mr. BLACKMORE: That is, he has a perfectly free hand. That is to his condemnation, that, having a free hand, he neglected to take the sugar off the hands of the Canadian sugar factories, thereby forcing them to cause their growers to reduce acreage by 1,300 acres in one year. The blame must be assumed either by that gentleman or by the war-time prices and trade board or by the men who gave them orders, whoever those men may be.

If Great Britain has to sell her sugar to Canada in order to pay for goods that she has to buy from Canada, if the price which Canada has to pay to help Britain is the destruction of the Canadian beet sugar industry, then I say that the British are asking too great a price from Canada. I do not believe the British asked it. That is not necessary. The dominion government could far better afford to give commodities to Great Britain to the amount that would be paid for by the sugar which Canada is buying from Great Britain than she can afford to take the sugar and deplete her own sugar producing resources.

The argument is sometimes advanced that Canada must trade. I challenge that statement. The big question is, can Canada be self-sufficient? If the reason why she must trade is that she cannot be self-sufficient, then why in the name of reason is it that sugar, which is a main item that prevents Canada from being self-sufficient, is the one item which is being sacrificed at the present time?

Also, why is someone in Canada managing matters in such a way that Canada is not producing the wool she needs, so that Canada has to import much of her wool from other countries when she is one of the best wool growing countries on the face of the earth? I use this just to show that it is not a sincere argument to say that Canada must inevitably trade. Canada, properly managed, does not have to trade. Canada is equipped by Providence to enable herself to live largely without having to trade with other people. And if we are going to be independent and economically free in this country, we must develop our potentialities.

We are importing a lot of corn from abroad when we can raise corn here. We are importing coal when we can produce coal, oil when we can produce oil. The argument that Canada must inevitably trade is hypocrisy, Mr. Chairman. Canada can be self-sufficient, if certain overpowerful men in Canada will let her. Has Canada any insuperable necessity? If so, what is it? I will hear the answer, "Oh, rubber, citrus fruits, coffee, tea, bananas and so on." I freely grant all those, but—

Mr. ILSLEY: And cotton and tin.

Mr. BLACKMORE: Yes, I am glad to have them all—and rubber.

Mr. ILSLEY: And I can think of a good many more.

Mr. BLACKMORE: That is all fine; I am glad to have them. But I ask you, Mr. Chairman, how in the name of common sense can we overcome our disability with respect to tin by putting ourselves under the disability of having to import sugar? That does not make sense.

Is the self-sufficiency policy unsound? I point to the United States and her experience in the last war. When the last war came, the United States found herself unable to produce her own rubber. Greatly to her embarrassment she found herself unable to produce her own dyes, because she had been tricked into depending upon German sources for her dyes. The result was that the United States was in a most precarious position with respect to dyes. She was in the same position with respect to chemicals, and for the same reason. The United States was in a desperate condition with respect to sugar during the last war, because she had not got herself into the position where she could produce her own sugar.

May I read to the committee a statement in which I believe everyone would be interested. This comes from an article entitled "The Sugar Bowl is Mended", by Charles Morrow Wilson, and appears in the *Country Gentleman* for April, 1940. It contains words which have great significance for us at this time, and sets forth one of the reasons for my insisting upon debating this question at the present time. The article reads, in part:

> When the first world war began Europe was growing almost enough sugar for its own use. But when the beet fields turned to battle fields Cuban production shot from 2,000,000 to more than 5,000,000 tons a year, and Cuba was sugar bowl for the world.
>
> After the armistice tens of millions of war-rationed people were frantic for sweets, and sugar bins were empty. So in the early twenties Cuban sugar prices boomed to 24 cents per pound at the mills.

Mr. Chairman, it needs to be shown by the Minister of Labour, and by anyone else who is interested, whether or not the same gentlemen who were in charge of Cuba at that time are not in charge of Cuba to-day, and are not exercising a very strong influence over the British sugar control.

Mr. ILSLEY: There is nothing to that.

Mr. BLACKMORE: It is sometimes argued that Canada by importing sugar from abroad would—

Mr. McLARTY: Is the hon. member acquainted with the number of tons of sugar we imported from Cuba?

Mr. BLACKMORE: This year?

Mr. McLARTY: Yes.

Mr. BLACKMORE: I have already put the figure on *Hansard*.

Mr. McLARTY: What was it?

Mr. BLACKMORE: It is not a question of how much we import this year, but rather a question of how much we shall be called upon to import next year.

Mr. McLARTY: The reason for importation of Cuban sugar is the trade arrangements whereby we maintain, by that method, our preference for the goods we ship to Cuba, goods such as flour, and so on.

Mr. BLACKMORE: That may all be true, but it does not in any way alter the validity of my argument that we cannot afford to leave sugar unused in the storehouses of our own Canadian beet sugar factories while we import sugar from abroad.

I happen to be somewhat familiar with this sugar question, I may tell the Minister of Labour. This is his first experience with me. Probably after a while he will realize that. I have now in my hand figures showing the importations from Cuba, and I find that they are placed at 50,000,000 pounds for this year.

It is sometimes argued that by increasing our importation of sugar from abroad we would increase our market for potatoes and salt fish from the maritime provinces. I have every sympathy with the maritimes; far be it from me to say anything which would jeopardize their position. But may I tell hon. members from the maritimes that in this respect they have been deluded. Much propaganda has been spread to confuse maritime minds. The arguments about potatoes and salt fish by such propagandists are devastatingly dealt with by Mr. Ralph P. Bell in an article of February 8, 1938 appearing in the Halifax *Herald*. I commend that article to hon. members from the maritimes. They will find that all this talk about sugar beet production impairing the position of the maritime salt-fish and potato markets is just pure piffle, and worse; it is sheer delusion.

Mr. HANSON (York-Sunbury): Anything else?

Mr. BLACKMORE: From all the facts I have set forth it would certainly appear, first, that the Canadian government is selling Canada into bondage in the matter of Canada's sugar supply.

Second, someone is bartering Canada's birthright for worse than a mess of pottage, betraying her future for dross as base as the famous thirty pieces of silver; for any nation that must buy from abroad any necessity of

life is, in respect of that necessity, a potential slave of external circumstances.

Third, the interests that control our sugar supply, once our beet sugar industry is destroyed, can raise the price to any level their unprincipled cupidity dictates, and, as they did after the last war, force Canadians to pay that figure.

Fourth, the sugar situation looms through the storm clouds as one of the blackest and most imminent threats to Canadian economic freedom.

The other day the Minister of Labour promised a statement in connection with the sugar situation. He will have to canvass the whole question carefully, for in his report he will have to show, first, why the Canadian beet sugar industry has been restricted in war time. He will find that a thorny question, and more thorny the more deeply he goes into it.

Second, why has Canada spent good exchange for foreign sugar, and left Canadian-grown sugar unused, with agriculture in the tragic condition in which it finds itself, and with a trade balance so dangerously against us, as it now is?

Third, why are prices of sugar rising, when raw cane can be bought for 75 cents per hundredweight in Haiti, Cuba, and Santo Domingo?

Fourth, why is the Canadian government apparently preparing to give Canada over to the spoilers who robbed her at the close of the last great war?

Fifth, why must Canada's consumer prices depend upon the will of the British sugar controller, when Canada could produce twice her needs at greatly reduced costs?

Sixth, while even the United States insists that 55·59 per cent of her domestic consumption shall be domestically produced, why can Canada afford to decrease even her meagre 12½ per cent?

Seventh, who selected the present sugar controller? On whose instigation was the selection made, and why?

Eighth, is there not cause for grave suspicion that certain overpowerful Canadians are manipulating Canada's sugar supply to enrich themselves, to enslave Canadians and to exploit our people immeasurably?

The first question the ministers of Labour, Trade and Commerce, Agriculture, and Finance, and their colleagues need to answer is this: Do they intend to keep and to make Canada a free and independent democracy, or did Canadian unity in their election platform a year ago mean Canadian unity with the United States, or with the United States and some other nation or nations? If the latter is the case, are they rendering such unity unavoidable by policies tending to reduce Canada to economic helplessness? If they really desire a free Canada, then they must make her economically free. To do this, they must take steps to build up within Canada an adequate all-Canadian sugar supply. This they can do only by expanding the beet sugar industry.

[Mr. Blackmore.]

Mr. POULIOT: I asked some questions of the Minister of Munitions and Supply. I would be thankful if he could give me the information I asked for.

Mr. HOWE: Mr. Chairman, I believe the questions asked by my hon. friend had to do with government-owned companies which he named. These companies operate just as any public company. They accept contracts from the government, execute them and carry out whatever duties are assigned to them by order in council, just as would any private business firm. In each case the treasurer of the company is an officer of the treasury branch of the government. The auditor of each company is an appointee of the auditor general of Canada. The procedure of these companies conforms to the best practice of corporations operating in this country.

The largest organization is the Allied War Supplies Corporation which deals with the explosives and chemical operations of the government. This company retains experts in the different branches of the work. Contracts are made with reputable contractors for the construction work involved, and in most instances contracts are made with the leading firms in the chemical and explosives business to operate plants on a management fee basis.

There are other companies, but I have told the house on several occasions that it is not desirable to elaborate on their operations too fully. These companies are doing the work of protecting the government against supplies of materials which come from foreign countries, and the sources of which may be subject to interruption from war causes. There is the Melbourne Merchandising Company Limited, the Plateau Company Limited, and one or two other commodity companies. These companies have the duty of making available supplies of such things as rubber, silk and other items, the names of which escape me at the moment. These companies operate just as any commodity company would. Purchases and sales are made, commodities are bought at the best market price obtainable and are sold at the current Canadian price. But in between the purchase and sale of commodities, considerable stocks are maintained to make sure that supplies will be available

for several months should there be an interruption because of the war. As I remember, this covers questions asked by my hon. friend. If he mentioned other points which have escaped my memory at the moment, I shall be glad to answer them.

Mr. MACDONALD (Kingston City): I heard the explanation given by the hon. member for Cape Breton South (Mr. Gillis). If the words which he used were capable of the interpretation which I put upon them, I am glad to know that it was not his intention that they should have any such interpretation.

Mr. POULIOT: Mr. Chairman, I want to thank the minister for what he has just said. However, referring to experts, I cannot see what particular experience Mr. Biggar has had. He may be a good lawyer, but I cannot understand what experience he would have in the manufacture of optical equipment. I should like to know what experience Mr. Dunning, who has been a trader, has had in supervising chemical and explosives manufacturing. I do not know what experience he has had in that respect, apart from being the understudy of that international Vulcan, Mr. Purvis. That is all there is in it. The minister must take what I say in the spirit in which I say it. I am simply trying to help him in his work, which I realize is quite heavy. He is, however, surrounded by a few men who think they can read before they learn their alphabet. They are somewhat like children who sometimes try to read upside down. The points I raised were not quite along the line of his answers.

There is one branch of the department—it does not matter whether you call it a branch or a division—which is responsible for purchases. In order that this branch should be treated fairly, they should have the entire responsibility; it should not be shared with another branch which is directly responsible to the deputy minister. These branches are asked to deal with all purchases of chemicals and so on. I shall read what the minister said and take this matter up with him privately in order to save the time of the committee. I would, however, remind the minister of one thing. We do not impute motives when we ask for information. We do this simply to satisfy those people who come to us for information, whether they live in or outside of our own constituencies.

I want to protect this purchasing branch. I do not wish to see them suffer by any encroachment on the part of these so-called companies. The Minister of Munitions and Supply is not a corporation lawyer, and I congratulate him. I think he will admit that most of the wrong which has been done in the financial world has been done by corporation lawyers. Ninety-nine per cent of them are crooks. What are these blue-sky laws we hear about? What about the watered stock in these companies which have been organized by lawyers, who take a portion of it as their fee and retainers? Many companies have been ruined because of watered stocks, a large portion of which went into the pockets of the corporation lawyers.

I think it is all wrong to organize government business along corporation lines. You can go to any stock broker's office and look at the stocks, and see how people have been robbed through the formation of these companies. They do not offer a good example to be followed in government business. Any lawyer who knows the law and who knows the principles underlying our law will not do this sort of thing. Corporation practice in government is wrong. It is also wrong to canonize those who are part of the scheme, to make saints of them, to place halos upon their heads and then tell us that we must not criticize them. There is not a single item of information about expenditures that can properly be refused to members of parliament when we are sitting in committee like this. We are entitled to information about all expenditures. What should be secret?

There is no need for secrecy about the spending of public money. Secrecy is necessary about the plans by virtue of which certain kinds of arms and ammunition are being made and the places where they are being manufactured, and also as to war tactics. I want no information on these things because I admit they must be kept secret. But when it comes to the purchase of any kind of munitions, we must know how much is paid for them, and even if Hitler gets to know how much we pay for shells and guns and other munitions it will not endanger our position in the war. It might, however, embarrass some profiteers, and we ought to embarrass them and prevent them from getting too much money from the public exchequer. This distinction should be made in determining what shall and what shall not be kept secret.

In the first place, no one in public business should be kept sacrosanct until after he is dead. So long as he is living and engaged in public business, he must be man enough to suffer criticism no matter where it comes from. In the second place, there should be no hiding place, no secrecy regarding public expenditures, which we are supposed to check in this house and not vote blindfold. Third, I want my constituency to be protected from any attack by land, sea or air. I asked a question on that point the other day. The

question was clear, but I got no answer. I repeat my question: How are Témiscouata county and Rivière du Loup being defended against any possible attack by land, sea or air? I also asked for information about military camps. No answer. I asked for information about aviation fields. No answer. I asked for information about roads. No answer. But I will get this information for the people of my county and my province just as I got a station at Rivière du Loup, however stubborn anyone may be who will not give a satisfactory answer, and I warn the minister I will get this information for my people.

Section agreed to.

On section 3—Government may act as agent.

Mr. GREEN: Yesterday the Minister of Munitions and Supply in dealing with the question of shipbuilding, as reported at page 2104 of *Hansard*, said:

> We have placed up to the present contracts for twenty merchant ships of the 9,300-ton class.

I interjected to ask whether that was a British contract. Then there was some heated flurry between the minister and myself, and I thought I heard him say that it was a British contract but apparently the *Hansard* reporter did not get it. I should like to have it made clear whether these twenty ships are or are not for the British government.

Mr. HOWE: We have received a requisition from the British government for twenty ships, and contracts have been placed for twenty ships. Whether the twenty ships that are to be delivered to the British government are what we have here, I am not sure, but in any event the Canadian government has placed contracts for twenty ships and we hold a requisition from the British government for the same number of ships.

Mr. RALSTON: I wish to say to the hon. member for Temiscouata (Mr. Pouliot), who said that there were some questions he had asked which were not answered—he had asked with regard to the defence of the county of Témiscouata and the city of Rivière du Loup —that he knows, without my saying it, that we do not disclose on the floor of parliament the defence plans for Canada or any portion of it. I do not propose to make a statement in the house on our means of defence. I only say to him that I have consulted the officers of my department—I know he has not the highest regard for them; nevertheless I have —and I am satisfied that their plans are sound with regard to the defence of Canada generally. I assure him from what I am advised that steps are being taken against any possible, likely and prospective attack on Témiscouata county or Rivière du Loup.

With regard to the location of a military training centre, my hon. friend said, as reported in *Hansard* at page 1807, that he had asked for a military training centre and—the way *Hansard* has it—"the experts of the department have not yet answered." I wrote him a letter at once and pointed out that I had written him myself personally over a month ago with regard to the matter, and he sends me to-day a copy of *Hansard* in which he has inserted after the word "yet" the word "satisfactorily," indicating that what he meant to say was that he had not been satisfactorily answered. He has used that term again to-day. I am sorry that the answer is not satisfactory in his opinion, but the answer I have given him is my own answer and that of my officers. The training centres were established in the locations where it was thought that the interests of the country would be best served having regard to the likely number of men to be trained in the different districts, and to a fair distribution of the facilities available. A great many members have made representations, but none except the member for Témiscouata has risen in his place to make the complaint that a training centre was not established in a particular constituency. But that, as the hon. member says, is his right, and I make no objection to that. I only say that the training centres were selected after the most careful and serious consideration having regard to the needs, and I am sorry that Témiscouata was not included in the selection.

Mr. POULIOT: I am sorry too, Mr. Chairman.

Mr. ROSS (St. Paul's): On Tuesday I addressed a question to the Minister of National Defence for Air, who was not then present, and the Minister of National Defence said that he would get an answer to the question.

Mr. POWER: May I answer it right away, because I have the answer here. The question was somewhat involved, and I am not quite sure just what my hon. friend wished to know. I have here so much information that I think I had better just file this memorandum with *Hansard* because it runs to three pages. His question as reported at page 2072 of *Hansard* was this:

> Mr. Ross (St. Paul's): I have one or two questions in connection with rumours which I suggest ought to be straightened out. Would the Minister of National Defence for Air or the Minister of Munitions and Supply give a com-

parison with regard to the hours necessary to ground planes of various classes for purposes of overhaul. I understand there is some dissatisfaction with some of the planes being made.

He goes on, and then the Minister of National Defence said:

Mr. Ralston: Is the hon. member asking as to the regulations concerning the number of flying hours before an overhaul is ordered?

Mr. Ross (St. Paul's): No; there are various classes of planes used in connection with the air training plan. There is dissatisfaction, or at least it is rumoured that there is dissatisfaction with certain makes. How many hours are granted for the overhaul of these different classes of planes?

I take it that that is the question to which he now refers, and I have here a memorandum covering the question:

1. Herewith are given under appendix "A" the approximate man-hours required for minor and major inspections. Under appendix "B" the maximum running hours for engines and airscrews for the various types of engines. Appendix "C" number of flying hours after which a complete overhaul is required.

2. It is to be noted that the types of aircraft and engines are those in use in the B.C.A.T.P.

I will file, if I may, these three appendices "A", "B" and "C" for inclusion in *Hansard:*

Appendix "A"

Minor and Major Inspections—Aircraft J.A.T.P.

Aircraft type	Periodicity (hours)	Approx. man-hours per minor inspection	Approx. man-hours per major inspection
Yale	40-240	50	150
Harvard ..	40-240	50	150
Battle	40-240	100	350
Anson	40-240	75	250
Fleet	30-180	25	75
Moth	30-180	25	75
Cessna	30-180	75	250

Note.—Periodicity as follows:

40-240—All inspections at intervals of 40 hours up to 240 are minors. 240 is a major.

30-180—All inspections at intervals of 30 hours up to 180 are minors. 180 is a major.

Appendix "B"

Table "A" C.A.P. 78/C.1

Engines and Airscrews

Engine type	Max. running hours between overhauls	Airscrews max. hours at overhaul
Cheetah IX	960	Fixed pitch
Cheetah X	780	Fixed pitch
Civet	540	Fixed pitch
Cyclone F.52	600	720
Cyclone G.7	600	600
Cyclone G.102	600	600
Gipsy I	540	Fixed pitch
Gipsy Major	900	Fixed pitch
Kinner B.5 and R.5	540	Fixed pitch
Lynx (all)	420	Fixed pitch
Mercury VIII	420	720
Mercury XV	420	720
Menasco	360	Fixed pitch
Merlin II and III	390	720
Mongoose III	390	Fixed pitch
Pegasus IX	600	720
Pegasus X	600	Fixed pitch
Pegasus XXII	600	Fixed pitch
Perseus XII	600	720
Tiger VI	420	720
Wasp B & C	420	720
Wasp S3H1	720	C.S.—600 2 pos. controllable—720
Wasp Jr. SB	600	C.S.—600 2 pos. controllable—720
Wright J6 D & E	420	720
Twin Wasp R.1535-13	390	C.S.—600 2 pos. controllable—720
Twin Wasp Jr. SB4-G	450	600
Twin Wasp S.1C.3-G	540	600
Jacobs L.4	480	720 C.S.—600
Jacobs L.6	480	2 pos. controllable—720
Continental 75	600	Fixed pitch
Wright R.975-E.3	600	C.S.—600 2 pos. controllable—720
Wasp S1H1G	630	600

Appendix "C"

Table "A"—C.A.P. 78/B.1

Airframes

Airframe type	Normal flying hours at complete overhaul
Anson	1,080
Battle	1,080
Bolingbroke	1,080
Beechcraft	1,260
Delta	1,080
Digby	2,520
Fawn I and II	1,440
Finch I and II	1,440
Goose	1,200
Harvard I and II	1,980
Hudson	1,260
Hurricane	900
Lockheed 10A	1,260
Lysander	720
Moth 60M	1,080
Norseman	1,260
Oxford	720
Shark	720
Stranraer	900
Tiger Moth	1,200

Mr. ROSS (St. Paul's): I wish to ask a question of the Minister of Munitions and Supply. A few days ago when speaking in the house I suggested that the government had no policy in connection with the future production of aeroplanes and that some manufacturers were getting a little worried, not knowing what the policy was to be. I was told by the Minister of National Defence for Naval Services that of course the government had a policy and that it had been outlined by the Minister of Munitions and Supply some time ago. I do not recall, Mr. Chairman, that it has been outlined, and I think the Minister of Munitions and Supply should give us at some time an outline of what the government proposes to do in connection with the future production of aeroplanes in this country. I do mean, not just to the end of this year, but farther on, because these companies require to have some knowledge of what is going to happen, so that they can carry on their work.

Mr. HOWE: I believe that every aeroplane company knows the policy of the government in that regard until at least the end of 1942, provided that in the meantime there is no change in the war situation. In general, the policy will be to keep the plant in production on the plan upon which it is producing to-day, or on another plan which the plant has coming into production in the meantime. There is only one uncertainty; it relates to the development of a new type of engine in the United States, and we expect to have that determined shortly. Aside from that, I believe that any and every plant could give my hon. friend its programme up to the end of next year.

Mr. POULIOT: Mr. Chairman, I have just one word to say in reply to my hon. friend the Minister of National Defence. It is that the defence of any part of a country can be a military secret only in so far as it exists. Where there is no defence there can be no military secret; and I complain bitterly that we do not have enough protection in my county. That is why I insist upon a military camp.

There is something else. I have noticed in a certain committee that it was the practice of the high-ups of the civil service commission to come with a brush and a can of rose paint to paint everything in rosy colours and defend everything that was done within the civil service commission. Of course it would be a very bad thing if the brass hats of the Department of National Defence were not afraid of the criticism which hon. members can make in this chamber, just as is the practice at Westminster; and, although I have a high regard for the Minister of National Defence, he will never make me believe that the men who surround him in the Department of National Defence are perfect.

Mr. RALSTON: Nobody has ever suggested such a thing.

Mr. POULIOT: I am glad the minister admits that. That is a step in the right direction.

Mr. RALSTON: I have never said so in my life.

Mr. POULIOT: I am glad to hear that. We are making great progress. I thank the minister and I congratulate him on that statement. I noticed in *Hansard* that the hon. member for Regina City said he wanted to teach geography to these high-ups. I want that too, and I want them to learn the alphabet so that they can read properly. They need the alphabet in order to read, but they seem to ignore it.

The minister has said it was decided there would be no appeal. I am not in favour of inflexible rules in the militia or anywhere else. The Department of National Defence should not be a privy council in the legal sense of the word, a court from which there is no appeal. All matters should be discussed and everybody heard before a final decision is made, and even when a final decision is made it must always be subject to review in the light of events and considerations which cannot be foreseen. I say that on behalf of my constituents and my own people, and I shall never be afraid to speak for them.

I wish the Minister of National Defence good health. If, however, his health is failing, I can make a suggestion of a gentleman who

is not sympathetic to Mr. Bennett, is of independent means, has a fine military record, is the best organizer in the land, and has been praised recently by the Minister of National War Services. I do not mention him more precisely to-day; but it shows that if no men are infallible, no men are indispensable. If the Minister of National Defence does not like the way I voice the sentiments and feelings of my people, well, a time may come when someone in the Department of National Defence will grant us justice.

Mr. RALSTON: I just want to say that I will convey to the right hon. the Prime Minister my hon. friend's sentiments.

Mr. MacINNIS: I wish to say a few words before this section carries. For several weeks we have been trying to get an idea of the government's war programme, and it seems to be disclosed in little bits here and there. I have before me this evening's Ottawa *Journal,* in which I notice a news item stating that the hon. member for Vancouver-Burrard has given out a statement about a six-man committee that has been appointed to study British Columbia's war capacity. Could the minister give us a little more information on this—when the committee was set up, and what are the various things it is going to investigate? There is mention here of two items which are termed "major" items, namely, an investigation into the possibilities of developing steel from scrapiron, and of the establishment of an electric furnace.

First of all, why could the minister himself not have announced this to the members of the committee? Next, what further matters are subject to investigation in British Columbia?

Mr. HOWE: My hon. friend is not reading from a press release of the Department of Munitions and Supply.

Mr. HANSON (York-Sunbury): It is a report from the hon. member for Vancouver-Burrard.

Mr. HOWE: The hon. member for Vancouver-Burrard has his publicity arrangements and I have mine. I hope he will not hold me responsible for his, and I will not hold him responsible for mine. I may say, however, that we had a committee go out some months ago to investigate capacities in British Columbia. As my hon. friend knows, British Columbia industries, that is, industries capable of taking on war work, are for the most part in small units. After the investigation, a good many people in Vancouver felt that these men from Ottawa had not reported fairly on the capacity of British Columbia to handle war work. We decided that this time not only would we assign to the investigation three technical experts from here, but we would ask three men in British Columbia, who know a good deal about the industrial capacity of the province, to look over the situation with our men, in the hope that we might find additional means of placing war work in that province.

Mr. HANSON (York-Sunbury): Does that include the hon. member for Vancouver-Burrard, may I ask?

Mr. HOWE: The hon. member for Vancouver-Burrard is not a member of that committee.

Mr. HANSON (York-Sunbury): He seems to be taking charge of it.

Mr. HOWE: It is simply a committee sent out to gather information for the purposes of the department. We looked upon it, not as a public inquiry, but simply as a departmental inquiry as to additional capacity. We have had committees travelling over a good part of Canada; I think they have visited every province, perhaps every industrial centre in each province. Various officers of the department have travelled together as a committee. This is not a matter which would seem to require any great formal announcement. We have asked the committee to study every matter affecting production there, to look into certain plants from the point of view of labour organization and of skilled workmen who are out of employment, and we hope that when the committee reports we shall have a better picture of the situation.

The CHAIRMAN: I have allowed a number of questions, but I must point out that section 2 has been carried and we are now on section 3.

Mr. MacINNIS: What I have to say can be said equally well under section 3. I do not intend to speak at any length. I am not objecting to the committee that has been set up; in fact, I am glad that it has been set up. What I do object to is the way in which information comes to me as a member of this house and a member from British Columbia. Here we have this statement in to-day's Ottawa *Journal:*

> G. G. McGeer (Lib.-Vancouver-Burrard), announced on Wednesday that a six-man committee had been appointed by the government to investigate British Columbia's potential war industrial capacity. It will begin work next week.

I skip the second paragraph. The third paragraph reads:

> Mr. McGeer, who made the anouncement on authority of Munitions Minister Howe, said Colonel W. C. Woodward, of Vancouver, executive assistant to the munitions minister, will attend the meetings at the coast.

There have been suggestions in this house that the government was trying to carry on a Liberal party war effort. I have never made any such statement either in the house or outside, and I would not want to make a statement of that kind. I should be sorry if there were grounds on which I could make such a statement. But when we see such a thing as this, after we have been discussing the matter in the house for a month or more, I think members have a right to ask for more definite information and to know why they are not taken into the confidence of the government. It should not be left to private members to make announcements such as I have quoted.

Mr. HOWE: Members on all sides have asked me to look into matters in the districts they represent in parliament, and we try to do that. The hon. member for Vancouver-Burrard (Mr. McGeer) said that he did not think the original committee gave a fair statement of the potentialities of British Columbia, and it was largely on his representations that this second committee was set up. My hon. friend knows British Columbia politics better than I do, and if he will look over the British Columbia representation I do not think he will suggest that the committee is political. It is a committee of industrialists, two of whom are so far as I know, not supporters of this government.

Mr. HANSON (York-Sunbury): Did the minister name the members?

Mr. HOWE: I believe the representatives are Gordon Farrell, president of the British Columbia Telephone company, R. W. Mayhew, and Lawrence Killam, who is not a supporter of the government. I was not aware that he was a supporter of the government.

Mr. HANSON (York-Sunbury): He comes from an old Liberal family.

Section 3 agreed to.

On section 4—Orders and regulations.

Mr. HANSON (York-Sunbury): I desire for a few moments to deal with a matter that is of considerable importance; otherwise I would not venture to delay the passage of the bill, which I regret has been delayed altogether too long.

Prior to 1931 the system of treasury control in this country was exceedingly inadequate. A system had grown up whereby parliament voted moneys, in the estimates or supplementary estimates, which were allocated to departments, but there was no treasury control of expenditures and frequently accounts were overdrawn. The situation became rather acute in 1931 with the fall of the national revenues during the depression. The government of the day decided that the situation had to be grappled with and they introduced the Consolidated Revenue and Audit Act, which is to be found in chapter 27 of the statutes of 1931. I remember that bill very well. I had something to do with piloting it through the banking and commerce committee to which it was referred, and it was given thorough consideration by everyone and treated entirely in a businesslike manner. Section 29 of the act contains an important clause:

No contract, agreement, or undertaking of any nature, involving a charge on the consolidated revenue fund, shall be entered into, or have any force or effect, unless the comptroller—

That is, the comptroller of the treasury appointed under the authority of the act.

—or an officer of the Department of Finance designated by him and approved by the treasury board, shall have certified that there is a sufficient unencumbered balance available, out of the amount authorized by parliament for the particular service, to pay any commitments under such contract, agreement or undertaking which would, under the provisions thereof, come in course of payment during the fiscal year in which such contract, agreement or undertaking is made or entered into.

That was notice to these departments that the deputy ministers could not overdraw, and I remember that word went out at that time to the departments that any infraction of the law might call for the resignation of the deputy minister. That was the impression left on them, and a great evil was corrected.

At that time Mr. Watson Sellar, the present auditor general of Canada, was appointed comptroller of the treasury. He was appointed after the act was placed in the statutes by the Bennett government, and I was impressed, before the banking committee, with the knowledge he had of the proposed measure and the way it should work. I think that in every way he was an important official. He is now auditor general of Canada.

Recently I have been amazed to learn that by reason of the provisions of the War Appropriation Act 1940, which are similar to subsection 4 (1) (e) of the bill now before us, and presumably also from time to time under the authority of the War Measures Act, that provision of parliament has been set aside by the government by order in council, at times when this parliament was in session. I challenge the position that the government has taken. I can readily understand that in a time of war a statute might be found too inflexible and that at a time when parliament was in recess it might be necessary—in fact, I could imagine circumstances in which I think it would be absolutely necessary—that some extraordinary provision be taken to

cover any given commitment in war time. I suggest to the committee, however, that when parliament is in session, the setting aside by order in council of a statute of that kind, intended to be the safeguard of the public treasury, to protect the taxpayers of the country, is absolutely indefensible and cannot be justified on any ground of expediency or of war requirement or anything of the sort. If occasion is found when the provisions of the statute are too inflexible at a time when the House of Commons is in session, all the government have to do is to come to parliament and say so and explain the position, and power will be given to them. But to-day that is not the position. What has happened? An important section of the statutes of this country, intended to protect the public treasury, has been flouted by the minister, at a time when the people's representatives are in session and could correct the position if it absolutely needed to be corrected.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. HANSON (York-Sunbury): Mr. Chairman, when the committee rose for the dinner recess, I had discussed briefly the changes which I understand have taken place concerning treasury control of government expenditure, and I had detailed the steps that had been taken in 1931 to protect the public treasury against overexpenditure, and to set up a proper system of accounting.

When we passed the war appropriation act in 1940 there was a clause in the measure in practically the same terms as paragraph (e), subsection (1), of section 4 of the present bill, namely:

> The governor in council may make, from time to time, such orders or regulations as may be deemed necessary to give effect to the purposes of this act—

Of course the meaning of that is quite clear.

> —and for greater certainty, but not so as to restrict the generality of the foregoing terms, the governor in council may, by order or regulation . . .
>
> (e) prescribe administrative practices with respect to the making of financial commitments, the taking of security for the performance of contracts and agreements, and the recording and paying of accounts.

If hon. members followed me with respect to the provisions of subsection 1 of section 29 of the Consolidated Revenue and Audit Act, they will, I believe, agree with me that the powers given under paragraph (e) subsection 1, section 4 of the bill at present before us do not in any way override the provisions of the audit act, but empower the governor in council to prescribe, by order in council, administrative practices with respect to the making of financial commitments.

At the time that provision was placed in the 1940 act, I did not appreciate the extent to which it might enable the government, if it does so enable it, to change the statutes not of this house but of parliament.

Mr. MACKENZIE (Vancouver Centre): Those are the only statutes we have.

Mr. HANSON (York-Sunbury): Perhaps that was a redundant statement to make. I was referring, however, to changing a provision which has been concurred in not only by the House of Commons but by parliament as a whole, and is therefore the law of the country.

Under the War Measures Act numerous orders in council have been passed. I believe it is absolutely impossible for any person, individually, and least of all for myself, to keep track of all those orders in council. The government is commanded by law to send some of them to members of the House of Commons. But we do not know anything about most of those orders in council until after they have become operative for a long time, and what has taken place becomes known.

I held the view, and still hold it, that, as a matter of right, all orders in council should come to the office of the leader of the opposition. I applied to the leader of the government for a direction that this might be done, and to my surprise it has been refused. I find also upon examination of the records that this is a rather old story, and that from time to time—

Mr. POWER: I should like to have that point cleared up. At one time I was in charge of the legislative committee and, as I recall them, my instructions were to send copies of all orders in council having the force of statutes to the leader of the opposition and the leaders of the different groups in the house.

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

Mr. HANSON (York-Sunbury): I am not going to say that it is not being done. I shall have to make further inquiries at my office.

Mr. MACKENZIE (Vancouver Centre): That practice is still being followed.

Mr. HANSON (York-Sunbury): That may be true; I will not contradict the hon. member, unless I am advised to the contrary by my

office. But what I was saying was that I hold that, as a matter of public policy, all orders in council ought to be sent to the leader of the opposition. I applied to the Prime Minister to have that put into effect, and I have been refused.

I shall not traverse that ground to-night. I found to my surprise that this is an old problem, and has been considered between leaders of governments and leaders of oppositions for almost a generation. It has always been held, by whoever was prime minister, that it was not a proper practice. I shall leave it at that.

But because that practice has been pursued and because we are not given all orders in council, one has his attention drawn only to particular orders in council on certain occasions. Personally I should very much dislike having to read the reams of orders in council passed by the government, and especially in war time. But it certainly would be a matter of great convenience to have a clerk in one's office go through them each day as they come in, and call attention to the important ones. That, however, is not the point I have in mind at the moment.

It appears that as long ago as November last, while the house was in session, a most important order in council was passed, overriding the provisions of the Consolidated Revenue and Audit Act. I desire to call the attention of hon. members to evidence given by Mr. McIntyre, comptroller of the treasury on March 27 last, before the special committee on war expenditures. It will be observed that in his statement he was explaining what the practice had been and what it now was Speaking of the treasury board, he said:

As to the origin of the office, prior to 1932 each department or other division of the service had its own accounting organization and made payments from the consolidated revenue fund, chargeable to the appropriation granted by parliament. This system had some weaknesses, among them the position in which departments were placed to over-incur expenditures with their resultant overdrafts in the appropriations at times. These overdrafts were sometimes substantial.

That was one of the evils the present act sought to correct. I have the order in council here. Then, he continued:

In addition, the departments were the sole auditors of their own accounts before they were paid.

That was a weakness of the old system.

The auditor general carried out his post-audit, but there was no independent audit before payment.

In other words, the auditor general made a post-audit which, we all know, is not nearly as valuable as a pre-audit. Then Mr. McIntyre proceeds to say—and I do not intend to read very much of it:

[Mr. R. B. Hanson.]

The amendments to the Consolidated Revenue and Audit Act, approved by parliament in 1932, were designed to correct the shortcomings of the old act. The amendments provided for the appointment of a comptroller of the treasury, and placed on this officer certain controlling functions, such as exclusive power to make payments out of the consolidated revenue fund.

That is to say, there was one central accounting branch and one central paying branch.

This change over from the departments to the comptroller involved the transfer of certain accounting staffs of the departments to the Department of Finance, and placed them under the direction and control of the comptroller of the treasury. The authority for this transfer was contained in section 36 of the act.

I read the first clause of that section. The witness is explaining to the members of the committee the practice which had been followed from the time the Consolidated Revenue and Audit Act was passed until the outbreak of war.

During 1939-40—

I assume, by that, that he is speaking of the fiscal year.

—we carried on—

He is speaking for the treasury.

—with the peace-time method of accounting for expenditures and commitments under the war appropriation, but early in 1940 it was found that conditions—

Mr. MACKENZIE (Vancouver Centre): From what is my hon. friend reading?

Mr. HANSON (York-Sunbury): From the evidence of Mr. McIntyre, the comptroller of the treasury.

Mr. MACKENZIE (Vancouver Centre): Of course that is entirely out of order.

Mr. HANSON (York-Sunbury): It may be out of order, but I can give it in my own terms. There was detailed before this committee the practice which had been followed and the defects which were found in respect of it. It was through reading this evidence that I discovered order in council P.C. 6695 which was passed on November 19, 1940, by the governor in council. This order in council will be found as an appendix to the minutes of proceeding and evidence, No. 7, and it recites:

That section 29 of the Consolidated Revenue and Audit Act sets out the existing procedure to be followed before financial commitments are entered into and provides that no contract, agreement or undertaking of any nature involving a charge on the consolidated revenue fund shall be entered into or have any force or effect unless the comptroller of the treasury or an officer of the Department of Finance designated by him and approved by the treasury board shall have certified that there is a sufficient unencumbered balance available, out of the amount authorized by parliament for the par-

ticular service, to pay any commitments under such contract, agreement or undertaking which would under the provisions thereof come in course of payment during the fiscal year in which such contract, agreement or undertaking is made or entered into.

It recites further:

That the appropriations asked for from parliament would be unduly inflated and unrealistic—

I do not know whose language that is.

—if they were to include estimates of the total cost of projects which will only come in part for payment within the current fiscal year.

I pause here to make a little examination of that language. Why should that be put in an order in council? Why should parliament not know realistically just what the appropriation is to be even in war time, assuming that a proper estimate can be made by the department, which I agree is not always possible?

Mr. ILSLEY: That is the answer.

Mr. HANSON (York-Sunbury): The Minister of Finance made it quite clear that only estimates could be made and that they would have to have wider powers. We find now that although we passed only $700,000,000 last year, and the expenditures grew with great rapidity, the requirements needed under this legislation amount to only $135,000,000. That seems surprisingly low, having regard to the rate at which we have been spending money. I am not making any observations with respect to what value we are getting for our money; I am only commenting on the rate at which we are spending money. I quote again:

That paragraph (e) of subsection 1 of section 5 of the War Appropriation Act, 1940, empowers the governor in council to make regulations prescribing administrative practices with respect to the making of financial commitments.

Paragraph (e) of subsection 1 of section 5 of last year's act was, I believe, identical with paragraph (e) of subsection 1 of section 4 of the bill now before us. On the basis of that statement contained in paragraph (e), which I have read more than once, His Excellency, the Governor General in Council, on the recommendation of the Minister of Finance, proceeds to change the law of this country while parliament is in session. I protest against any such practice, especially in connection with treasury expenditures and commitments. I quote again:

Now, therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Finance, is pleased to make the following regulations regarding the making of financial commitments with respect to expenditures for war purposes, and they are hereby made and established accordingly:

1. War programmes shall, in the first instance, be submitted for the approval of the governor in council or the war committee and any major changes in or additions to an approved programme shall also be submitted for the approval of the governor in council or the war committee. When submitting any original programme or changes in or additions to an approved programme the department concerned shall furnish in as much detail as is practicable at that time the information required under the next succeeding regulation.

On the basis of that, the government of this country has gone ahead and altered the statute law of Canada. We have no longer any regard for the Consolidated Revenue and Audit Act. I admit at the very outset that in war time, when parliament is in recess, I can quite understand the necessity of having some additional authority. I question very much if the additional authority is to be found in paragraph (e) of subsection 1 of section 4, but it may be that the government has an opinion from the Department of Justice that they can do that.

This is what I want to put to the minister: If we still have responsible government in Canada, why should a government of this country override the laws of Canada by order in council, while parliament is in session, especially with respect to the expenditure of money? There is a great principle at stake here, the principle of parliamentary control and the supremacy of parliament. I never thought that I would live to see the day, even in war time, when a government led by my right hon. friend would take authority, under the flimsy pretext contained in that clause of the statute, to override the considered opinion of parliament as to what is necessary to protect the public treasury with regard to financial commitments. That principle cannot be defended on any other theory than that of *ex necessitate*. While I am quite willing to admit that in war time the necessity may arise to do this or that by order in council while the house is in recess, and the government might be able to justify it; but when parliament is in session, as it was on the date when this order in council was passed, there is absolutely no justification for legislating by order in council on matters of this kind.

I have not been able to go through all the cases in connection with which this government has acted in this manner, but I have a sample lot here. Some of them are important and others are of no importance at all. But all of them were acted upon while parliament was in session. The last one I have here is dated March 18 and refers to the reserve army regulations, 1941. I do not suppose that it was necessary as a matter of practice to come to parliament to get approval of these reserve army regulations, 1941. That procedure might delay parliament, but the fact

remains that this was passed on March 18 while the house was in session. And mark these words, "notwithstanding the provisions of any other statute or law". Can my hon. friend, the Minister of National Defence, defend that principle?

Let me go back a little bit. P.C. 6695 was passed on the 19th of November. We find a whole series of them following. I do not believe I have by any means exhausted the list. On November 27, while parliament was still in session, the government passed P.C. 6282, establishing the veterans welfare division to assist former members of the forces in matters pertaining to reestablishment in civil life. This was passed by virtue of the War Measures Act and "notwithstanding anything to the contrary contained in any other act or regulation". I wonder why that provision was not brought before parliament by my hon. friend the Minister of Pensions and National Health. Was he afraid to consult parliament, or was it done so hurriedly as a result of the pressure brought to bear upon him by members of this house on behalf of the 20,000 soldiers who had been set adrift in this country that he acted in defiance of and flouted the will of parliament? He had no authority at all on principle to do this by order in council.

The War Measures Act, Mr. Chairman, under this government has set aside the constitution of this country, and I submit in all fairness that it ought not to be used for all the purposes for which it has been used. I have given two cases. The last one I will not question at all, but the first case I do question.

There is another case which comes in order of sequence that I would not question. Here is P.C. 6645, passed on the recommendation of my hon. friend the Minister of National Defence. I have them all here, but I am not going to take time to read them all. I will just put them on the record. P.C. 6645 was approved on November 19, designating the military forces of Canada as the Canadian Army. This was passed under the provisions of the War Measures Act and "notwithstanding the Militia Act, chapter 132 of the revised statutes of Canada or any other act or law". Aside from the principle involved, I would not raise one word of protest if the government want to change the name of the army. But there is a principle involved, and I submit that the War Measures Act was not set up to cover any of these proceedings.

I wish to call attention to another one, P.C. 6647, approved on the same day, November 19, 1940, containing regulations to govern the air cadet corps. This was passed pursuant to the War Measures Act and "notwithstanding the provisions of the Militia Act or any other act or law". I assume that it is not an important matter except for the regulations, but it violates the principle just the same.

Then there was P.C. 6879, approved on November 28—all of these were passed while parliament was in session—authorizing certain regulations to govern civilian claims against members of the Canadian forces in Iceland, Newfoundland and the West Indies. This was passed pursuant to the War Measures Act and "notwithstanding the provisions of any other act, law, statute or regulation".

We have even altered the Radio Act and the Canada Shipping Act under the guise of war necessity. P.C. 1014, amending the defence of Canada regulations, was approved on February 22, 1941, when this house, if my memory serves me aright, was in session. This order in council amended regulation 11 of the defence of Canada regulations and provided that "notwithstanding anything contained in the Radio Act, 1938, or in the Canada Shipping Act, 1934, or in any regulation made under such acts, the Minister of Transport might prohibit the use of radio apparatus on any ship within Canadian waters". That probably was necessary, and as a matter of practicability no one would greatly object to it. But it was a violation of the principle just the same.

Mr. ILSLEY: Is the hon. member arguing that these matters should have been brought before parliament?

Mr. HANSON (York-Sunbury): No; I have tried to make a reasoned argument. I am not asking that every "i" should be dotted and every "t" crossed, but what I am objecting to is the brutal way, if I may call it that, in which the treasury department has taken into its hands the powers contained in section 4 (1) (e) to override the Consolidated Revenue and Audit Act. That is the gravamen of my complaint. These other matters are merely illustrations of what the government has done by order in council under the so-called authority of the War Measures Act in matters that are not relative to the war and are not of nearly as much importance as this question of finance. The question of finance is important.

I wish to say to the Minister of Finance that if the provisions of section 29 of the Consolidated Revenue and Audit Act were too inflexible, if they were not sufficiently wide and it was necessary to enlarge the scope of that section for a given contingency or a given period in relation to war expendi-

tures, all the government had to do was to come to this House of Commons and introduce a bill, tell this house of the necessities of the situation, and the bill would have been passed in thirty minutes.

Mr. ILSLEY: Oh, no, thirty days.

Mr. HANSON (York-Sunbury): All right. I will give you an example. How long did it take to put the $700,000,000 war appropriation bill through last year?

Mr. ILSLEY: Take this year.

Mr. HANSON (York-Sunbury): All right; I know it has taken a long time this year, and it is the minister's own fault because he did not take parliament into his confidence. He abused the privilege that was given to him last year.

Some hon. MEMBERS: No.

Mr. MACKENZIE (Vancouver Centre): Is that a reasoned argument?

Mr. HANSON (York-Sunbury): That is declamatory. The minister took advantage of the innocence of some of us last year to try to pass this thing through, but I declare that so long as I am here, it will never be done again. I tell the minister to his face that on any reasonable interpretation of section 4 (1) (e) of this bill, he cannot do what the government is doing, setting aside the provisions of the Consolidated Revenue and Audit Act. I should like to have this thing go to the Supreme Court of Canada to test its validity.

Mr. POTTIER: And hold up the war.

Mr. HANSON (York-Sunbury): The hon. gentleman who said that does not know what the whole argument is about. He does not know what the principle at stake is.

Mr. RALSTON: That is another reasoned argument.

Mr. HANSON (York-Sunbury): I am trying to make a reasoned argument. I know it is not much use to appeal to gentlemen who have done a thing and are determined to support and stand by it to the last shot. Hon. gentlemen opposite throughout the whole of this session have never once admitted, except the Minister of National Defence for Air, that anything they have ever done is wrong. But the country knows better, and so do I.

An hon. MEMBER: How about the Bren gun contract?

Mr. HANSON (York-Sunbury): I am not going to enter into a discussion of the Bren gun contract, but I would say that it is a classic case of the government never admitting to an error.

I suggest to the minister that he review the whole position with respect to these orders in council. I am not going to follow the question along any further. I am going to make my statement and sit down.

I close by asking the minister to tell us the necessity for the changes and the reasons why he did not come to parliament and ask for the imprimatur of the House of Commons. Then I am going to ask the government generally to justify this class of legislation. The Liberal party, led by the Right Hon. William Lyon Mackenzie King, the champion of liberty in Canada, the man who above everybody else in Canada has clearly stood for the supremacy of parliament, has thrown the supremacy of parliament out of the window at the first opportunity. What a spectacle!

I invite the Minister of Finance to justify the position, and I say to him that on no occasion has this government, during the last ten months since the first session of this parliament, ever made a reasoned appeal to this opposition for support and assistance to put through a matter which was of present necessity. If they had come to us and said, "We find that these provisions of the audit act are too inflexible; they served a purpose in peace time, but they are not sufficient in war time," they would have had the united support of those on this side of the chamber. Have we at any time refused to help this government vote money to carry on the war? Why, from the day we entered the house, we of this party have pressed to get on with the war and let us have an all-out war effort; and I tell these hon. gentlemen to their faces that the Canadian people will give them all the money they want, but we shall demand an accounting of how it shall be spent, and it will come as a great surprise to the people of Canada when they learn that, by a turn of the hand, the considered statute laws of this country protecting the treasury have been overridden under the guise of war necessity.

Mr. ILSLEY: Mr. Chairman, the first observation I should like to make is that the hon. gentleman has been a long time getting angry over this infringement of the principles of the constitution.

Mr. HANSON (York-Sunbury): Oh, I was not angry.

Mr. POWER: Progressive wrath.

Mr. ILSLEY: On February 20, 1941, I brought to the hon. gentleman's attention this order in council. I have been able to find what I said to him; it is on page 888 of *Hansard* of that date. It is not very long,

and I will read it. It shows clearly that at the first opportunity I made the House of Commons aware of this order in council and why it was passed.

Mr. HANSON (York-Sunbury): "The first opportunity"! It was passed in November.

Mr. MACKENZIE (Vancouver Centre): A copy was sent to my hon. friend a week after it was passed.

Mr. HANSON (York-Sunbury): How does the minister know?

Mr. MACKENZIE (Vancouver Centre): I do know.

Mr. HANSON (York-Sunbury): How does the minister know?

Mr. MACKENZIE (Vancouver Centre): I have just checked it up.

Mr. ILSLEY: I have no doubt that a copy of this order in council was sent to the hon. gentleman. Before I come to the passage to which I referred, I would point out that, when parliament met on Monday, February 17, the Prime Minister laid upon the table of the house copies of all orders in council passed after November 2, 1940, down to February 7, 1941. Among those orders in council was this order in council. So the hon. gentleman not only received a copy of the order in council as soon as it was passed, by having it sent to him direct, but it was laid on the table at the beginning of the session, and then it was specifically brought to the attention of the hon. gentleman in debate by myself on February 20, 1941.

Mr. MACKENIE (Vancouver Centre): And further, if I may interrupt my hon. colleague, the leader of the opposition said to-night that he had never seen the order in council until he had read the proceedings of the committee on expenditures.

Mr. ILSLEY: I will go further, and say that I either sent the order in council to the hon. gentleman or took it across the floor of the house and handed it to him. It was printed in a blue book; I handed it to him and showed it to him, and if I remember correctly, he thanked me for it.

Mr. HANSON (York-Sunbury): I would do that, anyway.

Mr. ILSLEY: I did that on the 20th or 21st of February. The reason why I know it is that it was just after the remarks I made in the house about this particular order in council. This is what I said, as reported at page 888 of *Hansard*:

[Mr. Ilsley.]

Mr. Ilsley: I think the treasury board is adequately and sufficiently advised; I do not think they require any more advisers on this point. I volunteer this information to the hon. gentleman, which again perhaps is not wise, that he should have a copy, as perhaps he has already, of an order in council that was passed last October or November, if I remember correctly, after a great deal of consideration, setting out the procedure to be followed in the approval of draft estimates and subsequent allotments.

Mr. HANSON (York-Sunbury): Did the minister say that that was overriding the Consolidated Revenue and Audit Act?

Mr. ILSLEY: I took it across the floor of the house and handed it to him.

Mr. HANSON (York-Sunbury): Nowhere did he inform parliament that the act was being overridden.

Mr. ILSLEY: I think so. Just a minute. One can only go so far in conveying information to people. Let me go on now:

Mr. Hanson (York-Sunbury): That is a very interesting statement. I confess at once that I cannot possibly read all the orders in council that have been passed by this government, some thousands in the course of the year. No human being could undertake to do it. I should be glad if the minister would have a copy of that order in council sent to me. It might have been useful if he could have read it to us here to-night. But the statement that the matter has been given great consideration is reassuring.

Mr. HANSON (York-Sunbury): Ah, that was the topic—whether that was a peace-time or war-time appropriation. That is what we were talking about.

Mr. ILSLEY:

Mr. Hanson (York-Sunbury): The allocation?

Mr. Ilsley: Yes, out of the money voted by the War Appropriation Act. If the hon. gentleman thinks a great deal of thought has not been given to that, he is wrong.

Mr. Hanson (York-Sunbury): I am not suggesting anything of the sort. I am just asking for information.

Mr. Ilsley: There is a long and very carefully worked out order in council which sets out the procedure, but that does not do away with the necessity of judgment being exercised at some point as to whether certain items should be paid out of the war appropriation or not.

I do not think the rest has any relevancy. As I say, I took the blue book with the order in council in it and either handed it personally to the hon. gentleman or sent it across the floor of the house; I cannot be sure which, but I think I handed it to him myself.

Mr. HANSON (York-Sunbury): Is there any word or suggestion in anything he has said that the order in council related to the overriding of a statute of this house?

Mr. ILSLEY: I am not sure, but it is recited in the second paragraph of the preamble, the very one he read to-night. The whole story is set out.

So much for the matter of the hon. gentleman being kept in the dark about it. He was not, at any stage.

Mr. HANSON (York-Sunbury): Certainly, then, the public were kept in the dark.

Mr. ILSLEY: The next point I should like to make is as to the power to pass this order in council. I do not believe there is any opinion of the Department of Justice as to whether it is authorized by the section to which he has referred, but I am satisfied that the government had the power to pass this particular order in council, either under that subsection of the War Appropriation Act, or under the War Measures Act.

Mr. HANSON (York-Sunbury): Will the minister state that under that subsection they have the power to do it?

Mr. ILSLEY: I do not know.

Mr. HANSON (York-Sunbury): I do not think he will.

Mr. ILSLEY: Well, I do not know. It was assumed perhaps rather than decided that they had the power. Apparently the power is granted by that. The hon. gentleman says that we should have some litigation on it, take it to the supreme court, or the privy council, or something like that.

Mr. HANSON (York-Sunbury): I did not say anything of the sort.

Mr. ILSLEY: I do not want to ask the hon. gentleman to hold his peace, because that would be disrespectful.

Mr. HANSON (York-Sunbury): I object to the minister putting into my mouth words which I did not use.

Mr. MACKENZIE (Vancouver Centre): That is my impression, most definitely, of what was said.

Mr. HANSON (York-Sunbury): Oh, well, I cannot be responsible for what impression it would make on the minister's mind.

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order. The hon. gentleman did make the observation referred to by the hon. gentleman in this corner of the house, and the hon. gentleman sustained his position.

Mr. MacKINNON (Edmonton West): And he knows it.

Mr. HANSON (York-Sunbury): I should not have said that.

Mr. ILSLEY: I should like hon. members to obey the rules of the house. Nobody has a right to interrupt, except to put a question, without asking leave.

Mr. HANSON (York-Sunbury): Then the Minister of Finance had better refer to the hon. member for Vancouver Centre.

Mr. ILSLEY: I do not object so much to interruptions as to the running fire of almost muttered comment which I cannot hear and which, I am afraid, gets on the record. If the hon. gentleman will just stop that, I will proceed. I would ask him respectfully to stop that kind of thing in this chamber. I cannot hear it, and if it gets into *Hansard* and I have not answered it, it creates an entirely wrong impression. If at any stage of my remarks he would like to say something to me, would he ask me to stop? We are in committee. I cannot be talking at the same time that he is and expect to make my points at all. What I was saying was that I have no doubt the power is conferred on the governor in council to pass these orders in council, either by the section to which the hon. gentleman has referred, namely, the section of the War Appropriation Act, or by section 3 of the War Measures Act. Section 3 of the War Measures Act reads:

> The governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, as he may by reason of the existence of real or apprehended war, invasion or insurrection deem necessary or advisable for the security, defence, peace, order and welfare of Canada . . . .

I cannot think there should be the slightest doubt about the power of the government to have done what they did. I do not know that the hon. gentleman argued that we did not have power, but there can be no doubt as to the power.

The next position, I thought, was that under the powers conferred by the War Measures Act and by the War Appropriation Act we should never pass orders in council which had the effect of amending acts of parliament. But when I questioned the hon. gentleman on that, he said, no; he did not go to that length. Of course, it would be impossible for us to carry on a war if we had to go that length. We are passing hundreds, it may be thousands, of orders in council a month—I do not know how many, but a great many—and situations have to be met from day to day, and to be met in such a way as to provide the provisions of certain existing statutes. We could not bring these into the house; we could never make headway if we did. We have, therefore, to pass a good many of these orders in council, and we have the power to pass them under those acts which parliament has passed. Be it remembered, however, that these

eventually rest upon the authority of parliament, and we have to act upon them to meet these emergent situations.

The position of the hon. gentleman, therefore, comes down to this, that in this case the matter was so important, it was of such a character, perhaps by reason of its financial nature, that we could not have exercised the powers which it is admitted we ought to exercise in a great many other instances—

Mr. HANSON (York-Sunbury): While the house is in session.

Mr. ILSLEY: I have taken that into account.

Mr. HANSON (York-Sunbury): The minister has not said so.

Mr. ILSLEY: I put the question to him, did he think that while the house was in session we should make a rule of never passing orders in council which had the effect of amending an act of parliament?

Mr. HANSON (York-Sunbury): I did not understand it that way. I would not think it was necessary in certain cases to come to parliament—

Mr. ILSLEY: Right.

Mr. HANSON (York-Sunbury): —with regard to certain small matters. But anything affecting the protection of the public treasury should come to parliament while the house is in session. That is the point I am really trying to make.

Mr. ILSLEY: Then we are in agreement as to the hon. gentleman's position. I have got rid of a lot of other positions which he appeared to me to occupy from time to time throughout his address: First, the position that we had no power—there is nothing in that. Then there is the position that we should never amend an act of parliament by order in council while parliament is in session. We have got rid of that. We are down now to the question whether this particular matter is of such a nature that we should not have taken this action while parliament was in session. That is a question as to which there might be two opinions. I can tell the hon. gentleman and the committee exactly what happened. We were drifting into a state of administrative chaos, because it was simply impossible to operate under section 29 of the Consolidated Revenue and Audit Act. It is utterly impossible to estimate what will come for payment within the fiscal year and what will not.

Mr. HANSON (York-Sunbury): Why not come to parliament and say so?

[Mr. Ilsley.]

Mr. ILSLEY: Perhaps we can divest this controversy still further of any elements of disagreement between us. Is the hon. gentleman now saying that he has no objection to what we did, because I will not argue in favour of our action if he does?

Mr. HANSON (York-Sunbury): That is not very complimentary; it is equivalent to asking me to say whether I had made out a case. I think I made a good case, and I believe the people will think I made a good case. With regard to the question of financial control when parliament is in session, I tried to make it plain that in my opinion the government should have come to the house and told us what the difficulty was and they would have obtained relief at once. In respect of this and other cases, I still hold that the principle which I enunciated was good. Whether you should call it the Canadian reserve army or the Canadian army is a matter of no consequence, although the principle is there.

Mr. ILSLEY: If there is no—

Mr. MACKENZIE (Vancouver Centre): With respect to the one passed by my department, parliament was informed within two or three days.

Mr. HANSON (York-Sunbury): It took the minister a week to get it out, and the country did not understand what it was.

Mr. ILSLEY: May I have order, Mr. Chairman.

The CHAIRMAN: Order.

Mr. ILSLEY: If the hon. gentleman is making no claim that what we did was wrong, that it was a bad thing to do; if he is merely arguing about the way we did it, let us have that understood.

Mr. HANSON (York-Sunbury): I said that what you did was wrong and illegal.

Mr. ILSLEY: Well, all I can say is that the procedure worked out by this order in council was not only necessary but was well considered and long considered.

Mr. HANSON (York-Sunbury): Why did you not bring it to parliament if you took a long time to consider it?

Mr. ILSLEY: Will the hon. gentleman wait until I come to that. We cannot have it agreed, I suppose, can we, in order to avoid jumping from one point to another, that the hon. gentleman has no objection to the procedure?

Mr. HANSON (York-Sunbury): I am not sure that I know exactly what the procedure is. I never sat in with treasury board. I never had any accountant come to me and explain the procedure. I can only try to interpret the language for myself, and I am not an accountant. The point I make—and I want to repeat it—is that I do not think the government should have changed the law of the country without coming to parliament with respect to treasury commitments. That is the point I make.

Mr. ILSLEY: The hon. gentleman has repeated that over and over again.

Mr. HANSON (York-Sunbury): Yes, and the minister ignores it.

Mr. ILSLEY: But I wish to point out that the hon. gentleman does not criticize what we did. He does not criticize the procedure we set up. He has made no case; he has not attempted to make a case, that we did not do the wise thing in making this change.

Mr. HANSON (York-Sunbury): That is a matter of opinion; I do not know. I never argued that at all.

Mr. ILSLEY: He is not arguing the point.

Mr. HANSON (York-Sunbury): I did not say that. Do not put words into my mouth.

Mr. ILSLEY: He is not criticizing the government for having set up a bad procedure or for having done anything wrong.

Mr. HANSON (York-Sunbury): May I ask the minister a question? Is it his argument that the end justifies the means?

Mr. ILSLEY: Not at all.

Mr. HANSON (York-Sunbury): That is exactly what the minister argues.

Mr. ILSLEY: I am trying to find out what the hon. gentleman is driving at, and apparently he is saying something like this: "You may have done a very good thing; I do not know whether it is or not."

Mr. HANSON (York-Sunbury): I did not say that.

Mr. ILSLEY: Well, he does not take any exception at all to what we did here.

Mr. HANSON (York-Sunbury): I am making no commitments.

Mr. ILSLEY: If the hon. gentleman wishes to argue as to whether we made an improvement in financial control and in financial procedure, we can argue that question at any time, and I may say that I do not think there are two sides to that argument. I was proud of what we did, because it brought order out of what would have been administrative chaos if the thing had gone on. We were working on this for quite a long time. I think work began on this order in council in September or October; draft after draft was prepared, and finally in November it was passed. When I came to look at the date I was surprised to learn that the house was in session at that time.

The hon. gentleman asks why we did not bring it before the House of Commons. Because we had the power to do it this way, abundant power. There was no doubt in the mind of anyone who knew anything about it that what we were doing was a good and wise thing to do; so we went ahead and did it, and got on with our business. The hon. gentleman can make a great deal of it, but I think that is about all there is to the story.

Mr. RALSTON: I wish to say one word. From what the hon. gentleman has said, I take it that as far as the order in council changing the name of the army was concerned, he will admit that it was perfectly legal in every way under the authority of the War Measures Act.

Mr. HANSON (York-Sunbury): I would say it did not matter whether it was or not; it was all right to do it. I am thinking principally about the public treasury.

Mr. RALSTON: The same, I think, could be said with regard to the matter of claims arising in Iceland. There we provided machinery whereby small claims could, after being considered and approved by a joint committee, be settled by the paymasters of the forces and then reported to national defence headquarters. That was in connection with claims not exceeding $250 with regard to accidents and matters of that kind, which would take literally months if referred to national defence headquarters. Then, after that length of time, when you were through with them, you still would have claims for only $250. In the meantime a situation was arising in Iceland under which the population felt that the Canadian forces were not honouring their obligations. Therefore, with regard to that far-flung territory it was decided to make that provision in order that small claims might be settled by officers expressly authorized in this connection; that is to say, the officer commanding, in cooperation with a joint civilian and army committee established to pass upon these small claims. I do not think my hon. friend will suggest that it would have been worth while

taking the time of this house by coming here and asking for legislation to set up a claims commission in Iceland to deal with these small claims. I am sure, when this discussion has blown over, my hon. friend will quite frankly admit that this was a proper departmental regulation for the purpose of facilitating administrative procedure.

The only other matter the hon. member has left, the one on which he was ringing the changes and in connection with which he wanted the Minister of National Defence to have something to say, was the matter of the four months training plan, the regulations in connection with which were tabled in this house a few days ago. I have not read the order in council since I secured the recommendation; I heard my hon. friend read it, but I have not the exact wording before me.

Mr. HANSON (York-Sunbury): I did not read it; I just referred to it.

Mr. RALSTON: While this order in council may have mentioned the War Measures Act, let me call the hon. gentleman's attention, so that there may be no doubt about it, to the fact that the order in council is expressly authorized by a statute of this parliament, the National Resources Mobilization Act; nobody ever thought of bringing down a bill in this house for the purpose of providing the procedure under that act.

Mr. HANSON (York-Sunbury): I made no reference to the thirty-day training scheme.

Mr. RALSTON: The regulations to which my hon. friend referred—

Mr. HANSON (York-Sunbury): Oh, the reserve army regulations.

Mr. RALSTON: Yes, the reserve army regulations. They are with respect to the four months' training plan. My hon. friend rang the changes and defied the Minister of National Defence, asking if he would dare rise in his place in the house and defend a thing like that.

Mr. HANSON (York-Sunbury): I do not think I said that.

Mr. RALSTON: Well, the record will show what was said.

Mr. HANSON (York-Sunbury): I was referring principally to the financial end.

Mr. RALSTON: My hon. friend brought me into it. He expressly pointed to me, and in the most emphatic terms indicated that it was something that no one would dare defend; that is, the making of these reserve army regulations by order in council. Here is the statute, which is chapter 13 of the statutes of 1940. This is not the War Measures Act; this is an act that was passed by this parliament, an act for which my hon. friend voted. It provides:

> Subject to the provisions of section three hereof, the governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, requiring persons to place themselves, their services and their property at the disposal of his majesty in the right of Canada, as may be deemed necessary or expedient for securing the public safety, the defence of Canada, the maintenance of public order, or the efficient prosecution of the war, or for maintaining supplies or services essential to the life of the community.

Then section 5 provides:

> Every order or regulation passed under the authority of this act shall be tabled in parliament forthwith if parliament is in session and a copy thereof sent to every member of the House of Commons and of the Senate and if parliament is not in session then every such order or regulation shall be forthwith published in the *Canada Gazette* and copies thereof sent to every member of the House of Commons and of the Senate forthwith; provided that any of the steps specified in this section may be omitted or deferred if the governor in council considers such omission or deferment necessary in the national interest having regard to the special circumstances.

Those regulations were passed under that statute, not under the War Measures Act. My hon. friend says the War Measures Act was mentioned; I presume that would be for the sake of greater certainty, but those regulations were made under the express authority of the act I have just quoted, and brought down by me, and they have been laid on the table of this house, as the statute required. I say to my hon. friend that I am sorry I cannot get into the frame of mind that he wants me to get into, namely, that of making this committee a confessional, of coming here and saying, "Mea culpa" and bringing myself to the state of penitence which he has commended in referring to my hon. friend the Minister of National Defence for Air. I am not to blame in connection with this matter; the regulations were made under this statute. I stand by them, and I say that my hon. friend can have no objection in the world to them. I say that his point is absolutely ill-founded, that there was complete power under that statute to make these regulations.

Mr. CASTLEDEN: This section 4 deals with the power of the governor in council from time to time to make orders and regulations with respect to various matters, among them to provide for the utilization, disposal and control of equipment. Under such regula-

tions a great deal of power has been given the various controllers. On March 6, a question was asked as an order for return having to do with the work of the oil controller, and part of that question was as follows:

10. How many applications have been made for new service stations or retail gasoline outlets since the appointment of such controller, and by whom?

11. How many applications have been approved of and to what individuals, company or companies were permits issued?

12. How many applications have been rejected, and what were the names of the applicants in each case?

13. How many retail outlets have been erected since applications have been approved, how many have yet to be started, as of this date, and to what individuals, company or companies were these permits issued?

14. Have applications been made by any oil company on behalf of any applicants? If so, by what company, and have such applications been granted?

When the answer to this question was tabled, it was found that the answer to paragraphs 10 to 14, which I have quoted, was that it was not in the public interest to reply to these questions. It seems to me this is rather an arbitrary denial of the right of hon. members to information, and I wondered whether any minister here would be willing to make a statement as to why it was not considered in the public interest to reply to these questions. The Minister of Munitions and Supply is not in the house at the moment, but would any other minister care to answer for him? If so, I should be glad to have a reply.

Mr. ILSLEY: I do not know that I caught the question. Was there some complaint that certain information was not made public, and that it was stated that it was not in the public interest so to do?

Mr. CASTLEDEN: A number of questions were asked with regard to the oil controller, and I quoted five paragraphs to which the answer was that it was not in the public interest to give this information.

I wish to know whether the minister would be willing to make a statement as to why it is considered not in the public interest to reply to such questions.

Mr. ILSLEY: The Minister of Munitions and Supply is not in his seat at the moment. I could think of some reasons why it would not be in the public interest to reply to one or two of these questions. I believe, however, it is not usual to state the reasons. That is a matter left to the ministry to decide.

Mr. CASTLEDEN: I was merely drawing attention to what would seem to be a rather arbitrary denial of the right of a member to secure information. I cannot, for the life of me, see why it would not be in the public interest to give these answers.

Mr. ILSLEY: The best I can do is to direct my colleague's attention to the complaint. If the numbers to which the hon. member referred include the questions I think they include, it would seem—and of course I cannot say this for certain—that one or two might have been answered without any conflict with the public interest. There are, however, certainly one or two of them which should not be answered. I refer to one question asking for the names of applicants and the names of those rejected. I can see why that should not be answered. I shall, however, bring the matter to the attention of my colleague.

Section agreed to.

Section 5 agreed to.

Bill reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Vien in the chair.

DEPARTMENT OF FINANCE

427. Departmental administration—further amount required, $25,000.

Mr. STIRLING: To what coin shipments does the item refer?

Hon. J. L. ILSLEY (Minister of Finance): Mr. Chairman, this amount is entirely for additional express on shipments of coin from the Royal Canadian Mint to the various agencies of the Bank of Canada, certain movements between the chartered banks and such agencies, and the return to the Bank of Canada of worn and mutilated coin. The value of the coin moved has increased from $2,800,000 in 1939 to over $4,800,000 in 1940. The amount provided in the main estimates for this purpose was $38,000. The amount of $70,000 is included in the estimates for 1941-42.

Expenditures in recent years have been as follows:

Year	Expenditure
1937-38	$25,948 97
1938-39	26,341 95
1939-40	40,201 57

Item agreed to.

429. General; expenses of completing the work of the royal commission on dominion-provincial relations—further amount required, $27,000.

Mr. COLDWELL: I assume there will be an opportunity of discussing this matter on the main estimates?

Mr. ILSLEY: Yes, I have undertaken to give an opportunity later.

Item agreed to.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

Pensions branch—Services to veterans and dependents.

438. Employers' liability compensation—further amount required, $15,000.

Mr. GREEN: Why is this further amount required?

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Mr. Chairman, each year it is impossible to estimate the amount of money which will be required. This vote arises as a result of an order in council passed in 1922, and is renewed from time to time. Pensioners with 25 per cent disability may be taken on in industrial work. If they are injured seriously, compensation is paid, and it is assumed by the state.

Mr. GREEN: What is the total vote for this purpose?

Mr. MACKENZIE (Vancouver Centre): It is $40,000 in the main estimates.

Mr. GREEN: The total is $40,000, including this $15,000.

Mr. MACKENZIE (Vancouver Centre): The amount in the main estimates for this year is $40,000.

Item agreed to.

Health branch—

439. Opium and narcotic drugs—further amount required, $15,000.

Mr. GREEN: What is the reason for this vote?

Mr. MACKENZIE (Vancouver Centre): This is for unpaid legal accounts in connection with prosecutions under the Opium and Narcotic Drugs Act.

Item agreed to.

Health branch.

440. Treatment of sick mariners—further amount required, $160,000.

Mr. ROSS (Souris): What does this expenditure cover?

Mr. MACKENZIE (Vancouver Centre): The annual vote for the treatment of sick mariners has expanded considerably since the beginning of the war. This is all covered by dues received under part V of "An Act respecting Shipping". As a matter of fact, the dues received exceed in every year the amount paid out. But they go to the consolidated revenue fund, and therefore it is necessary to have an item in the estimates to give authority to pay out for the treatment of sick mariners.

Mr. HAZEN: What provision is made for dental treatment of mariners? Would that come under this item? I would call the minister's attention particularly to X-rays connected with dental treatment. I am informed that at the present time there is no provision for X-rays for seamen suffering from dental troubles, and in some instances an X-ray is absolutely necessary if a man is to receive proper treatment. For example, where a man has an impacted tooth, it is impossible for a dentist to discover this unless he takes an X-ray. As I understand it, no provision is made for X-rays, although I may not be correct in that. If I am, I draw this matter to the attention of the minister and ask him if arrangements cannot be made to provide for X-rays.

Mr. MACKENZIE (Vancouver Centre): The matter has not been brought to my attention before, but I shall look into the question and let my hon. friend know.

Mr. GREEN: Does this vote provide for any dental treatment? I notice that in the last annual report of the department the following words appear on page 132:

> The act provides medical and surgical treatment to all members of the crews of those vessels that pay dues under its authority.

Reading those words, one would take it that dental treatment is not provided. Is that the situation?

Mr. MACKENZIE (Vancouver Centre): That is not my impression, but I am not definite. I shall look into the matter.

Mr. HAZEN: I think there is provision somewhere for dental treatment by the dominion government, and perhaps the minister could make a statement at a later date.

Mr. MACKENZIE (Vancouver Centre): I shall be glad to do so when the main estimates are being considered.

Mr. POULIOT: I wish to commend the minister for the publication of a book which should be widely distributed, which should be sent to each member. This is the best publication that has come out of his department. It is entitled "Mother and Child", by Doctor Couture. I hope it will soon be translated. I cannot praise the minister too highly for the publication of this excellent book.

Mr. GREEN: As I understand it, this vote provides for assistance to merchant seamen. I represent a constituency on the Pacific coast, and accordingly I hesitate to bring up a matter concerning the Atlantic coast. I understand, however, that in Halifax there are not adequate facilities to care for the merchant seamen who are flocking there in such great

numbers at this time. There has been a great increase in the number of men coming to that port. The way this war has developed has meant that our merchant seamen are in the front line perhaps to a greater degree than any other men serving the empire. I suggest to the minister that steps should be taken by the government to ensure that when these men are in port they are given every opportunity for recreation and receive proper care.

Mr. MACKENZIE (Vancouver Centre): Extensions have been made in the hospital accommodation to meet this and other purposes. If my hon. friend knows of any case where a sick mariner has received inadequate treatment, I shall be glad to hear of it. I understand that ample facilities are available.

Mr. GREEN: I was not referring so much to the treatment of merchant seamen who are sick as I was to the provision of facilities for the care of these men when they are on shore. Are any steps being taken to provide such facilities?

Mr. MACKENZIE (Vancouver Centre): I think hostels are being provided for that very purpose.

Mr. MACDONALD (Kingston City): While the care of merchant seamen, whether sick or otherwise, is not related to the work of the Department of National Defence for Naval Services, I happen to know something about what is being done in Halifax in order to provide hostel accommodation. Three new hostels are being built, one by the Canadian Legion, one by the Knights of Columbus and one by the Salvation Army to care for soldiers, sailors and airmen who may wish hostel accommodation in that city. I am sure my hon. friend is familiar with the work being done by the Navy League of Canada. The Navy League proposes to build a building there which will be devoted primarily to the care of sailors and merchant men. Before the war, they had a splendid building which was used for that purpose, but it has been expropriated by the air force. At first the air force rented it, but later on they decided to buy it and they got a good bargain. I agree in full with what my hon. friend has said about the work the men of the merchant marine are doing. In my opinion no other body of men, in either the air force, the army or even the naval service itself, are undergoing such hardships, dangers and difficulties with so little glory. None of these others is doing work which is in any way superior to that done by the merchant marine. No praise is too high for the courage and fortitude of these men.

Mr. BLACK (Cumberland): Has provision been made to construct this new building to take care of these men?

Mr. MACDONALD (Kingston City): The hostels to which I have referred will be of the ordinary type, and I understand they will be finished next month.

Mr. BLACK (Cumberland): I was referring to the new building which is to take the place of the one which was expropriated by the air force.

Mr. MACDONALD (Kingston City): The three hostels will be open to the men in the services as well as to the men of the merchant marine. I can give my hon. friend no definite information as to when the Navy League building will be completed—I do not know if they have undertaken its construction as yet—but it is intended primarily for the men of the merchant marine and the navy. It will be in addition to the three hostels.

Mr. MacINNIS: Will the Minister of Pensions and National Health state if in his opinion the facilities in the various seaports of Canada for taking care of sick mariners are sufficient at the present time to meet the demands upon them?

Mr. MACKENZIE (Vancouver Centre): Yes, that is my definite opinion. If my hon. friend knows of any case where it is inadequate, I shall be most happy to have the condition improved immediately.

Mr. COLDWELL: Between now and the time the main estimates will be considered, will the minister look into conditions at Halifax with regard to accommodation for sick mariners? I think it will be found that there has been considerable difficulty and congestion there in recent months.

Mr. MACKENZIE (Vancouver Centre): I shall look into the matter immediately, but the information I have received from my officers is that there is ample accommodation.

Item agreed to.

POST OFFICE DEPARTMENT

441. Post offices, including salaries and other expenses of headquarters and staff post offices and supplies and equipment for revenue post offices—further amount required, $149,500.

Mr. PERLEY: Could we have a breakdown of this item? Why is this increase necessary?

Hon. W. P. MULOCK (Postmaster General): There is an increase of $149,500. The main appropriation for 1940-41 was $14,155,190, and the estimated expenditure $14,302,065. This is in the neighbourhood of $158,000 less than for the year 1939-40, but a comparison of the figures does not serve any useful purpose, for the reason that as a measure of economy the department effected certain reductions in

service in 1940-41, such as the non-delivery of mail on Saturday afternoons and statutory holidays. On the other hand, there has been a very large increase in postal revenue during the year. The latest figures show that for the nine months ended December 31, 1940, the gross revenue increased by $2,739,313 over the corresponding period of the previous year. This augmented income involves a corresponding increase in the volume of mail, the handling of which necessitates increased staff and expenditure not only for salaries but for conveyance of the mail by railway and in other ways.

Mr. BLACK (Cumberland): What is the estimated saving for the ensuing year from the doing away of the Saturday afternoon mail delivery?

Mr. MULOCK: It is a substantial sum running into several hundred thousands of dollars, but I would prefer the hon. member to raise that question on the main estimates.

Mr. LOCKHART: Have there been any complaints about the pilfering of packages sent through the post to our soldiers in the old country? I refer more particularly to cigarettes and small luxuries for the soldiers. I have had reports that there is much pilfering going on.

Mr. MULOCK: Early last spring and in the early part of last summer there were a great many complaints from people who had sent parcels, and there were also a considerable number of complaints in the press. Since then, a wholly new system has been inaugurated for handling cigarettes and tobacco parcels for the troops overseas. Most of the cigarette and tobacco parcels are sent through the four large tobacco companies, which now list these parcels. Under the supervision of post office officials they are cleared through customs, brought to the base post office and given unit sortation, and the bags are then sealed. Therefore these parcels are now receiving identically the same treatment as registered mail. There has been a great improvement, and only a very small fraction of the number of complaints that were received some time ago are now received.

An assistant of Mr. Fortier, the chief inspector, is at the base post office at Ottawa in charge, with assistants, of making investigations into all complaints received. At the present time we know the dispatch number, the train the parcel goes on and the ship, and the contents of the respective bags. Most of these cigarettes and tobacco parcels go through the four large tobacco companies. A list of the contents of the bag is sent overseas.

I hope hon. members will not ask for further details because we do not want to give too much detail. I can assure hon. members, however, that a close check is being made on these parcels. I might add that all the employees in the postal corps overseas are former employees of the Post Office Department, and there has been no case of any employee of the Post Office Department or of the postal corps overseas having been guilty of any irregularity in the handling of cigarette and tobacco parcels.

Mr. ROSS (Souris): Was it discovered why parcels were going astray?

Mr. MULOCK: I shall be glad to explain some of the troubles. At the beginning of the war it was found that as high as 10 and 15 per cent of the letters and parcels addressed to the soldiers were being improperly addressed, and it was taking a large staff to correct the addresses. In some instances this was impossible on account of lack of identification. That has been improved considerably, because we have sent out approximately 150,000 notices to the dependents of the men serving overseas, giving detailed instructions and examples of how parcels should be addressed. The press of this country, particularly the press gallery, were extremely helpful in that matter. The press gallery went down to the base post office and saw how the mails were handled, and then they assisted in bringing home to the public the proper way to address the mail. They saw examples before them of improper addressing.

Item agreed to.

442. Railway mail service—further amount required, $593,677.

Mr. ROSS (Souris): What is this large amount for?

Mr. MULOCK: The first item is $19,820 for salaries, $17,500 of which is due to an arrangement with regard to the railway mail service, but we can deal with that better on the main estimates if the hon. member would wait until then, because it is a long and complicated matter.

Mr. GREEN: Is that the question of regrading the staff?

Mr. MULOCK: Yes. The next part of the vote is an item of $111,000 for mail service by railway. The amount originally requested in the 1940-41 main estimates was $7,200,000, but this was cut to $6,975,000. The expenditure to January 31, 1941, amounted to $5,938,285, leaving an unexpended balance of $1,036,715 for the months of February and March. January expenditure amounted to $597,477, but it was not expected that the outlay would

be maintained at that rate during February and March. Careful calculations indicate that a minimum of $111,000 will be required to supplement the main appropriation.

The next item is $452,857 for mail service by steam boat. This is due largely to the fact that the Department of Trade and Commerce formerly gave subsidies to steamship companies. Since the war, most of the ships have been taken over by the British Admiralty, and the Post Office Department has now to pay for space on board ships, at so much per cubic foot.

Mr. LOCKHART: In the main and supplementary estimates combined, there is an increase of over a million dollars for railway mail services. The minister said something about reductions, but taking the main and the supplementary estimates—

Mr. MULOCK: I was taking the supplementaries.

Mr. LOCKHART: I am taking the whole thing. The increase is $691,000 on the main estimates, and the minister has added another $593,000 now.

Mr. MULOCK: I was speaking to one of the hon. members who brought that question up, and suggested that he be good enough to let the whole question of railway mails stand until the main estimates, because it is quite a long matter to go into.

Mr. GREEN: On this figure of $452,857 for mail service by steamboat, to what companies is that paid out? Does part of it consist of subsidies, or just how is it paid? That is a very big increase.

Mr. MULOCK: As I said, formerly there were subsidies paid by the Department of Trade and Commerce, but now the Post Office Department has to pay for space at so much per cubic foot for mail and parcels sent overseas. We pay on the basis of the space occupied.

Mr. GREEN: Is that to Great Britain, or is it to other countries, say in south America and the orient?

Mr. MULOCK: A great part of this is on the Atlantic service. There is some on the Pacific, Australia particularly, and New Zealand.

Mr. GREEN: Is any of it paid out in the form of a ship subsidy?

Mr. MULOCK: No; this is paid on space, so much per cubic foot of space occupied.

Mr. GREEN: When the main estimates are before the committee, will the minister give us a detailed statement showing how this money is paid out?

Mr. MULOCK: Absolutely. I will give full particulars of the arrangements with regard to the Atlantic and also the Pacific.

Item agreed to.

DEPARTMENT OF MINES AND RESOURCES

Mines and geology branch.

437. Payments in connection with the movements of coal under conditions prescribed by the governor in council—further amount required, $450,000.

Mr. STIRLING: Why is this extra amount required?

Hon. T. A. CRERAR (Minister of Mines and Resources): The estimates submitted were for $4,000,000 for assistance in moving coal, under the subvention principle which has been in operation for a good many years. That amount was found to be inadequate, and $450,000 more is required for this purpose. I may say that it was all required for the movement of Alberta coal to Manitoba and Ontario points.

Mr. JOHNSTON (Bow River): Is that an increase in the subsidy, or is it just the regular amount?

Mr. CRERAR: As I stated a moment ago, the appropriation was $4,000,000, but that was found to be inadequate, and it has had to be supplemented to the extent of $450,000.

Mr. JOHNSTON (Bow River): To what provinces is this going? To the western provinces, or to the eastern provinces as well?

Mr. CRERAR: It is not allotted to any province; it is used as it may be required. As a matter of fact, in working it out, the whole amount went to Alberta, as I stated a moment ago, for the movement of Alberta coal to Manitoba and Ontario points.

Mr. NEILL: May I ask the minister if there is any reduction in the subsidy for bunker coal loaded at Nanaimo and Union Bay?

Mr. CRERAR: No, I think not.

Mr. TUSTIN: Under governor general's warrants there is another item of $1,040,000 for the movement of coal. Would the minister explain that?

Mr. CRERAR: Well, we can take item *461* now.

Mr. STIRLING: Does this mean that two million dollars extra is being asked for? Apparently there is half a million dollars in the main estimates, $450,000 in this item, and a governor general's warrant for a million dollars on top of that?

Mr. CRERAR: No. The amount of $450,000 which we have just been discussing is a supplementary required for the estimates of 1940-41. Item *461* of $1,040,000 was required for the year 1939-40. It will be recalled that at the time when ordinarily the supplementary estimates for the current year would have been brought down, we were in the midst of an election, and consequently this amount has had to be provided to supplement the vote for 1939-40, which, as I recall, was three and a half million dollars.

Mr. STIRLING: At the beginning of this fiscal year? The governor general's warrant is April 5, 1940.

Mr. CRERAR: Yes.

Mr. STIRLING: That comes into the fiscal year just ended.

Mr. CRERAR: No, that was appropriated for the fiscal year 1939-40.

Mr. STIRLING: And paid for on April 5, 1940.

Mr. CRERAR: Yes. Owing to the expansion of business due to the war, the movement of coal increased very much more rapidly than was anticipated. The payments have now to be met. Ordinarily, if parliament had been sitting and had not been dissolved for the election, the supplementaries would have been brought down before the end of the fiscal year 1939-40, or immediately after. This item is to cover the additional amount required over and above the amount voted in 1939-40.

Mr. McCANN: The minister referred to some of this coal having been moved to Ontario. What quantity was moved to Ontario? Is it not a fact that this subvention is not paid either to the provinces or to the coal companies, but is paid to the railway companies?

Mr. CRERAR: Yes. I do not think I have the tonnage moved, if that is what my hon. friend is inquiring about. If he will keep that in mind, when my ordinary estimates are up, I shall be in a position to give that information when the officers of the department are here.

Mr. HANSELL: What is the approximate percentage of increase in the movement of Canadian coal since the outbreak of the war, or, regardless of the last three months of 1939; say, 1940 up to date?

Mr. CRERAR: No, I cannot give the percentage increase. As a matter of fact, it would require a bit of mathematical calculation to work it out, and I have not the data wherewith to work it out even if I were to undertake it. There has been a considerable increase in the movement of Alberta coal eastward.

Item agreed to.

Governor General's warrants, 1939-40.

462. Indian hospitals and general care of Indians, $200,000.

Mr. PERLEY: Would the minister give us the break-down of this?

Mr. CRERAR: I have not the details of the $200,000, but I may explain it in this way. Hospitals are being operated in the more remote parts of the country, but sometimes it is not possible to have the accounts in until some months afterwards. I discovered, shortly after I came to the department, that accounts for expenditures which had occurred before the end of the fiscal year were coming in subsequently to that, sometimes months afterwards, and were charged against the following year. We have endeavoured to overtake that, and this $200,000 is to enable the Indian Affairs branch to provide the necessary funds to meet all the accounts outstanding at the end of the fiscal year for which the vote is asked. As to where it is apportioned, I am not in a position to say.

Mr. PERLEY: Can that be given on the main estimates?

Mr. CRERAR: Probably it could, but it would be difficult. If possible, we will do it.

Item agreed to.

Governor General's warrants, 1939-40.

463. Grants to residential schools, $62,662.86.

Mr. PERLEY: How is this divided among the residential schools?

Mr. CRERAR: The list is as follows:

Quebec—	
Fort George	$ 5,000 00
Fort George	2,000 00
Ontario—	
Albany	5,508 50
Fort William	3,200 00
Sioux Lookout	5,494 50
Manitoba—	
Cross Lake	1,400 00
Saskatchewan—	
Round Lake	3,071 06
Alberta—	
Grouard	1,103 50
Holy Angels	8,618 00
Joussard	1,968 75
Old Sun	3,589 57
Sturgeon Lake	1,562 60
Vermilion	1,015 00
Wabasca	1,575 00
Wabasca	1,937 40
Whitefish Lake	1,350 00

Northwest Territories—	
Aklavik	3,200 00
Aklavik	1,215 00
Providence Mission	750 00
	3,250 00
Resolution	2,041 50
British Columbia—	
Kitamaat	1,312 50
Yukon—	
Carcross	2,500 00
Total	$62,662 88

It will be observed that most of these are amounts ranging from $1,000 to $3,000. Returns from schools in the more remote districts are often considerably delayed. They are paid by the department certain fees in connection with their pupils, and the amount paid of course depends on the number of pupils that are enrolled. That cannot always be determined at the moment the estimates are made up, but the department tries to estimate as accurately as possible. In this particular instance, however, we were short the amount mentioned for the various schools I have enumerated, and the vote is to cover that shortage.

Mr. PERLEY: Generally speaking, is the enrolment increasing or decreasing at these residential schools?

Mr. CRERAR: The tendency is towards an increase. That touches another question which has to do with general Indian welfare. There is no doubt that improvements in recent years in the medical care of Indians, and in supplying them with those necessaries of life which perhaps they lacked before, have tended to bring about an increase in the Indian population, and as the population increases, the number of children for whom school facilities have to be provided also increases. It is estimated that the Indian population is increasing at the rate of one and a half or two per cent a year.

Mr. FRASER (Peterborough West): The Indians at Burleigh Falls are squatting on government land, the canal property, and the children have no school to go to. There are about seventeen children. These Indians are not paying taxes to anyone and the government refuses to recognize them. The Children's Aid Society of Peterborough have written to me with regard to them. There should be a school for these children. The Indian Affairs branch contend they are not Indians but half-breeds, although on the registration cards they are put down as Indians. The township will not take responsibility for them. Is there any chance of the department looking into the matter with a view to making a small grant? I know the province or perhaps the county would help. At present the school inspector goes there once a week and holds school in the dining room of a little store, but these children need education.

Mr. CRERAR: Perhaps my hon. friend has given the reason in the remarks he has made. He says that the Indian Affairs branch contend that these particular people are not Indians but half-breeds. If they are, we must decline responsibility for them. If we accepted responsibility for half-breeds, it would land us in a sea of troubles. Consequently, they are the responsibility not of the Indian Affairs branch, but of the province.

Mr. LEADER: Is there in this item anything that would take care of the situation at Portage la Prairie? I assume the minister has been informed of the situation that exists there. The sewerage system of the residential school is out of repair and has been for at least two years, but I failed to hear the minister mention Portage la Prairie in the list he read out. Is it taken care of in the main estimates? I have been assured by his secretary that an amount had been placed in the estimates to meet the situation there, but the minister did not mention it in detailing the items, and I was wondering whether it would be provided for in the main estimates.

Mr. CRERAR: At the moment I do not recall the problem, if I may so term it, mentioned by my hon. friend. As the committee knows, this is a supplementary vote required to make good a deficiency in the supply voted last year. I should think it altogether likely that in the main estimates for the current year an item could be found to cover the point raised by the hon. gentleman.

Mr. LEADER: Thank you.

Mr. CASTLEDEN: What is the grant that is paid each year for each child in these residential schools?

Mr. CRERAR: It varies considerably. My recollection at the moment is that it will vary from $150 per pupil to something over $200.

Mr. CASTLEDEN: Per annum?

Mr. CRERAR: Yes.

Mr. CASTLEDEN: Is there a school on each reserve?

Mr. CRERAR: No.

Mr. CASTLEDEN: I understand that under the original treaties with the Indians, they were assured that there would be a school on each Indian reserve.

Mr. CRERAR: I very much question my hon. friend's information on that point. In most instances I think the schools are on the reserves, but in some instances they are not.

Mr. CASTLEDEN: Are these residential schools run by various church organizations?

Mr. CRERAR: Practically all.

Mr. CASTLEDEN: How is it decided which organization or church shall have charge of the school on a certain reserve?

Mr. CRERAR: That will depend on the religious faith of the Indians.

Mr. CASTLEDEN: And what if they vary?

Mr. CRERAR: As a matter of fact, they do not vary very much. There are no serious difficulties in that respect.

Item agreed to.

DEPARTMENT OF TRANSPORT

Railway service.

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, 1941—further amount required, $68,000.

Mr. PERLEY: Could we have a little information about this item?

Hon. P. J. A. CARDIN (Minister of Transport): This is to cover a greater deficit than was expected in the operation of the Hudson Bay railway. When the item was placed in the estimates of last year, it was expected that about 2,500,000 bushels of grain would be moved over that railway. That expectation, however, has not been realized. The additional deficit on operation is in the neighbourhood of $100,000, but due to the reduction in expenditures, the amount has been reduced to $68,000. There has been no movement of grain to the elevators at Churchill this year.

Mr. PERLEY: How much grain is in the elevators at the present time?

Mr. CARDIN: They are full.

Mr. PERLEY: How many incoming cargoes were there to Churchill last year?

Mr. CARDIN: I do not think there were any.

Mr. NICHOLSON: Last year I directed several questions to the former Minister of Transport in connection with the more extensive use of the port of Churchill and the Hudson Bay railway. It is my opinion that even in war time this route might be used for the more economical transportation of grain and timber, in spite of the fact that it might involve the convoying of certain shipments. Could the minister give us any information as to the possibility of this port being used during the current year to move wheat and timber from northern Manitoba and Saskatchewan to the United Kingdom?

Mr. CARDIN: Unfortunately I am not in a position to give my hon. friend a great deal of encouragement in that regard. I do not recall what explanation was given by my predecessor when the question was raised last year, but I think I would be safe in saying that so far as boats using that harbour are concerned, we are more or less in the hands of the shipping companies. It is not a matter that can be controlled to any great extent by the federal government. The facilities are there, but we cannot force the shipping companies to take advantage of them, if advantage there be. At all events, when the estimates for the present year are under consideration I shall try to give a more complete explanation or answer to my hon. friend.

Mr. BLACK (Cumberland): I think in this case we might paraphrase the words of Churchill: "Never did so many people pay so much for so little as for Churchill."

Item agreed to.

Government-owned enterprises—Special deficits
Canadian National Railway Company

453. Additional amount, in excess of the sum of $15,000,000 already appropriated, required to provide for the payment during the fiscal year 1940-41 to the Canadian National Railway Company (hereinafter called the national company) upon applications approved by the Minister of Transport, made from time to time by the national company, to the Minister of Finance and to be applied by the national company in payment of the deficit (certified by the auditors of the national company) arising in the calendar year 1940, including such supplementary contribution to the Intercolonial and Prince Edward Island railways employees' provident fund as may be necessary to provide for payment in full of monthly allowances under the provisions of the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act, notwithstanding the limitation contained in section four of the said act, and including such supplementary contribution to the Grand Trunk Railway of Canada superannuation and provident fund as may be necessary to enable payment to be made of monthly allowances under the rules and regulations of the fund, notwithstanding the limitation contained in section thirteen of chapter sixty-five of the statues of Canada, 1874, but not including amounts charged to proprietor's equity of the national railway system as defined in chapter twenty-two of the statutes of Canada, 1937: Canadian National Railways, exclusive of eastern lines, $1,476,174.42; eastern lines, $488,869.76.

Total, $1,965,044.18.

Mr. BLACK (Cumberland): I should like to know where we are, Mr. Chairman. You are carrying these items so quickly that even the numbers are not being read.

Item agreed to.

Prince Edward Island Car Ferry and Terminals.

454. Additional amount, in excess of the sum of $327,000 already appropriated, required to provide for the payment during the fiscal year 1940-41 to the Canadian National Railways Company (hereinafter called the National Company) upon applications approved by the Minister of Transport, made from time to time by the National Company, to the Minister of Finance and to be applied by the National Company in payment of the deficit (certified by the auditors of the National Company) in the operation of the Prince Edward Island Car Ferry and Terminals arising in the calendar year 1940, $133,773.48.

Mr. BLACK (Cumberland): I am going to ask the chairman to read these items, or at least to give us time to turn the pages so that we may see what is being passed. I think this is being carried to an extreme.

The CHAIRMAN: I have no objection to waiting, but every hon. member has a copy of the estimates. If, when an item is called, someone desires me to wait, certainly I shall do so, but when no one raises his voice I take it that the item is carried.

Mr. DOUGLAS (Weyburn): We cannot very well raise our voices when we do not know what the item is.

Mr. CARDIN: This item is to provide for a greater deficit than was expected in connection with the operation of the Prince Edward Island ferry.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

Governor General's warrants, 1939-40.

459. To provide additional amount for construction of supreme court building (governor general's warrant of March 18, 1940), $390,000.

Mr. PERLEY: Is this to provide for inside equipment or something like that, not covered by the original contract?

Mr. CARDIN: No. As hon. members will remember, at one time it was decided not to complete the construction of the supreme court building because of the situation in which the war had placed the country. Later on, after investigation, it was ascertained by the officers of the department that we might proceed with the completion of the building with a view to providing space for various branches of the government. Therefore the construction was proceeded with, and as a result of what has been done, six or eight government services are at present housed in the supreme court building. Had we not had that building, we would have found it necessary to provide additional temporary building space to house the services now functioning in that building.

Mr. LOCKHART: What is the total cost?

Mr. CARDIN: Up to the present the expenditures have reached the sum of $3,075,000.

Mr. LOCKHART: Does that include equipment?

Mr. CARDIN: No, that does not include the furniture which will be used by the judges when they are there.

Mr. PERLEY: How many departments are being housed there?

Mr. CARDIN: Six or eight departments.

Mr. MARTIN: When will the court be moved from its present quarters to the new building?

Mr. CARDIN: My hon. friend is raising a delicate question. If we moved the supreme court to its new quarters, it would involve the moving out of the services which are now using the building. We would have to provide additional space for those six or eight services which are particularly connected with the carrying on of the war. Therefore, I fear very much that the supreme court will not go into the new building until the war is over.

Mr. MARTIN: I do not wish the minister to think I am trying to increase the comforts of the judges on the appeal court. I was only asking the question.

Item agreed to.

DEPARTMENT OF TRANSPORT

Governor General's warrants, 1939-40.

465. Additional amount required to provide for Canada's share of the cost of the North Atlantic ice patrol (governor general's warrant of April 5, 1940), $972.

Mr. CARDIN: This is an additional amount to cover a greater contribution by Canada to the patrolling of the north Atlantic in connection with ice conditions. Ten or twelve countries have signed a convention providing for the patrolling of the north Atlantic. The share carried by Canada amounts to three per cent of the expenditure. The United States are charged with the patrolling of these waters. The amount required last year for our contribution was larger than expected. This is to make up the deficit.

Item agreed to.

DEPARTMENT OF FINANCE

Governor General's warrant, 1940-41.

469. Expenses for maintenance of essential war services for the first six weeks of the fiscal year 1940-41, parliament not being called until May 16, 1940 (governor general's warrants of April 3, 1940 and April 9, 1940), $71,063,265.75.

Mr. STIRLING: Would the minister explain this item?

Hon. J. L. ILSLEY (Minister of Finance): This is the cost of carrying on the war for the period when parliament was not in session. I believe it is self-explanatory. It is for the maintenance of essential war services for the first six weeks of the fiscal year 1940-41.

Mr. STIRLING: Is that for the Department for National War Services?

Mr. ILSLEY: No, it is for the war. There was a time between the election and the time parliament was called when there was no money and no parliament.

Item agreed to.

Governor general's warrants, 1940-41.

470. Expenses of completing the work of the royal commission on dominion-provincial relations (governor general's warrant of April 9, 1940), $30,000.

Mr. LOCKHART: What is the total amount?

Mr. HANSON (Skeena): I should like to have an explanation of this.

Mr. GRAYDON: I thought three men did that free.

Mr. ILSLEY: I have not the particulars before me. However, this has to do with the royal commission on dominion-provincial relations. It was necessary to issue a governor general's warrant to pay this comparatively small sum.

An hon. MEMBER: Page Hepburn!

Mr. ILSLEY: That was for the year 1939-40.

Mr. LOCKHART: What is the total amount?

Some hon. MEMBERS: Carried.

Mr. HANSON (Skeena): It is not carried. It is a small amount, but I am entitled to have an explanation why it is in the estimates. I want reasonable particulars.

Mr. ILSLEY: There is a return in *Votes and Proceedings* giving the detail as to the total cost of the commission. The amount is quite large: I believe it is a little more than $500,000, if I remember correctly.

Mr. MACDONALD (Brantford City): Previous items have passed?

Mr. ILSLEY: Yes. Unless there is some reason for producing this information now, I should prefer to give it later under the main estimates for the Department of Finance. If, however, the hon. member wishes to have it immediately, the item will have to stand over until to-morrow.

Mr. HANSON (Skeena): That will not be necessary.

Mr. ROSS (Souris): May we go into details as to the conference when we are discussing the minister's estimates?

Mr. ILSLEY: The hon. member for Rosetown-Biggar (Mr. Coldwell) raised that point about an hour ago, I now agree that the discussion may be had under the item for departmental administration for the Department of Finance, if, indeed, there is no more specific item under which it may discussed.

Mr. GRAYDON: Is the chairman agreed, too?

Item agreed to.

DEPARTMENT OF AGRICULTURE

Production service.

423. Health of animals—administration of Animal Contagious Diseases Act and Meat and Canned Foods Act—further amount required, $39,300.

Mr. PERLEY: I notice in the details on page 7 of the supplementaries the largest amount is for travelling expenses. Would the minister break down that amount of $33,000, and also the $4,000 for equipment?

Hon. J. G. GARDINER (Minister of Agriculture): Both those items are connected with expenses in connection with fighting hog cholera, largely in Ontario. The sum of $4,000 from this allotment was transferred to the allotment for travelling expenses to meet an emergency caused by outbreaks of hog cholera. This money is now required to replace automobiles used by inspectors in carrying out their official duties.

The item of $33,000 under the heading "travelling expenses" has to do with the withdrawal of a large number of inspectors from general area testing in the control of bovine tuberculosis, to deal with outbreaks of hog cholera. That has increased the expenditure for travelling considerably. When inspectors are engaged in controlling outbreaks of hog cholera, their transportation from farm to farm is paid by this department, whereas the various provincial governments pay those expenses when they are conducting general tests of cattle for tuberculosis in restricted areas.

Mr. PERLEY: What success is the department having in controlling hog cholera?

Mr. GARDINER: It has been fairly successful. Quite a number of hogs had to be destroyed, and other action had to be taken to prevent the spread of the disease.

Mr. PERLEY: There is very little of that in western Canada.

Mr. GARDINER: Very little.

Mr. QUELCH: Can the minister say whether or not the department is going ahead with testing for tuberculosis in Alberta? The minister said the work was to be curtailed.

Mr. GARDINER: There is no money provided this year for carrying on any further work in that connection. The work under way is being completed, but no provision is made for further work.

Mr. REID: Is compensation paid for hogs slaughtered?

Mr. GARDINER: No, I think not.

Mr. CASTLEDEN: Is the hog cholera menace fairly well under control, or has it increased?

Mr. GARDINER: Yes, it is fairly well under control now, although there was some difficulty with it for some time.

Mr. CASTLEDEN: Has there been an increase or a decrease this year?

Mr. GARDINER: It is on the decrease now, but there was an increase last year up to a certain date.

Mr. GRAYDON: The hon. member for New Westminster asked a question, and as I heard it, it was as to whether or not compensation was paid for hogs killed or slaughtered for cholera. If the minister looks it up, I think he will find that compensation is paid when the government actually orders the killing.

Mr. GARDINER: Perhaps my answer was only partly correct. I shall get full information on that and give it to the committee when we are on the main estimates.

Mr. GRAYDON: Where a hog dies from cholera without the government ordering its slaughter, the farmer must bear the loss himself. But where a government inspector comes in and orders the slaughter of all the hogs owned by a man because of an outbreak of cholera, then I believe compensation is paid.

Item agreed to.

Marketing service.

424. Subsidies for cold storage warehouses under the Cold Storage Act, and grants, in the amounts detailed in the estimates—further amount required, $3,379.

Mr. HANSON (Skeena): Could we have details of this vote?

Mr. GARDINER: This is to cover a payment to the Kelowna growers' exchange, in excess of the funds provided by vote *27*. The treasury board has ruled that funds in vote *27* can be used only for the payment of subsidies to organizations named and in the amounts stated in the estimates. Therefore, because of the ruling of the treasury board, it will not be possible to charge amounts paid out in excess of the amount voted, and a special vote must be put through in order to make this payment.

Mr. HANSON (Skeena): What subsidies have been paid to cold storage warehouses in Canada?

Mr. GARDINER: The total amount paid last year was $188,987.87. This is a supplementary vote, but I am not certain that it is in addition to that. It may only be because one item was overexpended.

Mr. ROWE: Is this for apples or fruits?

Mr. GARDINER: I should think it would be largely for apples at Kelowna.

Mr. HANSON (Skeena): What are the amounts paid to the different cold storage companies throughout the dominion?

Mr. GARDINER: I can give that on the main estimates. This vote deals with only one item.

Item agreed to.

Special.

425. Prairie Farm Assistance Act—administration—further amount required, $98,675.

Mr. PERLEY: No details of this item are given, and no details of the item in the main item are given and were not given last year. I think the minister would be well advised to furnish details of this item. Is this $98,675 to take care of cases which have not been adjusted? I understand there is quite a large number of cases which have not been adjusted. I have three or four in mind, but I should like the minister to state what this vote is for. I notice in the main estimates there is an increase of $250,000.

Mr. GARDINER: This item is for administrative expenses. The amount provided in 1940-41 was $250,000, but if I remember correctly—and I am speaking from memory only—the amount actually expended was $268,000. At the time the estimates were made up, it was considered that this cost would be less this year, but members will recall that last year a board was appointed to administer the act, and additional responsibilities were placed upon this board of checking to see that

persons had 3,000 bushels or more. This greatly increased the amount of inspection required, and this additional amount is necessary. It represents largely the increase in inspection expenses brought about by the amendments made last session. I could give the items making up the $250,000 if that is desired.

Mr. PERLEY: We can get that on the main estimates.

Mr. GARDINER: Yes, I have it here.

Mr. PERLEY: Are there any great number of cases not adjusted yet?

Mr. GARDINER: There are not as many this year as there were a year ago. Some cases are being dealt with from day to day.

Mr. ROSS (Souris): I take it that this vote is to cover both office and field administration. Upon what basis are field inspectors paid?

Mr. GARDINER: They are paid on a per diem basis, but I am not just sure of the exact amount per diem. I can get that when the main estimates are before the committee. The total amount for salaries is $42,500; the total amount for wages, field and office, is $130,000, while other items, such as travelling and field expenses, total $149,000.

Mr. McNEVIN: What were the total expenditures under this item?

Mr. GARDINER: The total amount for administration expenses is $348,675. I have not the detailed items here, and I can give them only from memory. It was nine million and some odd dollars for the first year, and between six and seven million for the second year up to date. There are, however, still some expenditures to be made.

Mr. COLDWELL: There has been considerable dissatisfaction over the operation of this act. With the experience we are getting with this new form of crop insurance, if I may call it that, I think it will be realized that there is need for some adjustment in the legislation from year to year. I am simply expressing the hope, which I know is shared by a number of hon. members, that after the Easter recess the minister will see fit to suggest some amendments to this measure in order to make it more workable and more just to the individual farmer. There should be some legislation to iron out some of the difficulties which have been encountered in the operation of this act during the past year.

Mr. DOUGLAS (Weyburn): When the main estimates are before the committee, perhaps the minister could let us have a list of these field men and particulars of salaries and expenses paid.

Mr. GARDINER: I believe there is on my desk now, waiting for my approval, a return which gives that information.

Mr. PERLEY: I asked for that return on February 27 and I intended to inquire about it to-day.

Mr. DOUGLAS (Weyburn): The convention of rural municipalities of Saskatchewan urged upon the government and upon the Saskatchewan members consideration of having this whole scheme placed upon an individual farm unit basis. I am not going to take the time to argue the advantages of that. I believe administrative costs would be reduced considerably and the whole plan would be on a much fairer basis.

Mr. GARDINER: Consideration is being given to the possibility of bringing down amendments as suggested by the hon. member for Rosetown-Biggar. Amendments would, of course, bring up the question which has just been raised by the hon. member for Weyburn. I am not at all sure that we can go as far as the municipalities suggest. I would say that if we did, it would multiply the cost of doing the work in just the same way as adding the three thousand last year added $98,000 this year. This has put it partly on an individual basis.

Mr. FAIR: If the return on the minister's desk is for the hon. member for Qu'Appelle, I would suggest that the minister look in another corner and see if he cannot find a return there for me.

Mr. GARDINER: I think the return referred to is also there.

Mr. QUELCH: Has there been any change in the attitude of the government regarding applications? I mentioned this to the minister the other day, and he said that the government were not going to change their decision, but I have recently received a letter from Alberta stating that a letter has been received from Regina to the effect that this question is being reconsidered. That impression has got around, and I should like a definite statement from the minister as to whether there will be a reconsideration of applications made after October 31.

Mr. GARDINER: So far as I know, no reconsideration is being given to applications made by municipalities or provincial governments after October 31. I think it has been definitely decided both by the board and by

the department that the date should not be moved forward. There may be a misunderstanding in this respect. There are, within the municipalities, individual cases which it was decided at one time should not be considered because the applicant had not, on the date fixed, put in his return indicating his acreage. These are being reconsidered, but not applications so far as municipalities and provinces are concerned.

Mr. GERSHAW: Some farmers who have been found ineligible for the bonus declare that they never at any time saw an inspector. The inspectors probably drove through, but apparently they failed to get in touch with the residents of the township.

There is another point. This bonus is on the individual basis so far as the 3,000 bushels are concerned. It would seem that it could be more easily administered if it were on the individual basis all the way through, because it causes resentment and bad feeling when one farmer with a fairly good crop gets a bonus as well while his neighbour across the way gets no crop and no bonus just because he happens to be in a township where the average yield was about twelve bushels to the acre. In the district from which I come there has been a great deal of dissatisfaction regarding inspection. I am convinced that the secretaries of municipalities and the corresponding provincial officers were notified, but in talking to some of these men I find that they did not realize how important it was to get in the notification, and consequently the matter was neglected. This causes a lot of bad feeling, because a whole community will be declared ineligible for the bonus just because of failure to have the notification in by the date set, October 31.

Mr. PERLEY: I did not hear what the minister said when he was replying to an hon. member on my left. Did I understand him to say that there were certain cases yet to be considered with respect to the bonus for 1940? I gave a case this afternoon of a man who had summer-fallowed his cultivated acreage last year, and it was ruled by the treasury department that since he had no wheat in, he would not be eligible for the bonus, although the township received a bonus of 90 cents an acre. Would a case like that be reconsidered and an adjustment be made?

Mr. GARDINER: Cases of that kind are being considered from day to day. It is the type of case that was referred to a moment ago. They are still coming up continuously with regard to the 1940 season. Some are being further examined; some are being turned down, and some are being passed. But cases of the kind just referred to are still being considered unless a final decision has already been made in the case of the individual.

Mr. CASTLEDEN: Cases of great hardship have been drawn to my notice, where people whose production was practically nothing, but who, because of the average production of the township, got no bonus. These people have been having difficulty in getting seed and feed. One farmer lost four out of six horses which died for lack of feed. What steps will be taken to take care of cases of that kind?

Mr. GARDINER: That is a question which was raised by the hon. member for Rosetown-Biggar. It was one of the things in his mind when he spoke, whether the act should be amended to take care, in part at least, of these cases. I would remind the committee that when this act was passed, it was not expected that it would take care of the responsibilities of the provinces and municipalities. It was only expected that the act would take care of what was considered to be the responsibility of the federal government. We believe that in taking care of townships or full areas—if the township is not the proper area—this government is assuming its full responsibility, and that individual cases which result in areas either because the man is on poor land or is for some other reason unfortunate, are cases that remain the responsibility of the municipality or the province and must be taken care of by them. It is not the responsibility of this government.

Mr. CASTLEDEN: Is a grant being made by this government for feed and seed this year under this act?

Mr. GARDINER: Not under this act, and there will not be under any act; but if there were, that would not relieve the responsibility of the municipality and the province for doing something in that regard.

Mr. FAIR: The hon. member for Qu'Appelle asked the minister whether a bonus would be paid to a farmer who had summer-fallowed in 1940. I did not catch the minister's answer clearly. Would he mind repeating it?

Mr. GARDINER: My answer was that those cases would be under consideration. I would say that some cases would not be passed, and some would be. If, for instance, a person went out and summer-fallowed an area of land that had been in Russian thistles, tore them up and made it look like summer-fallow, he would not be paid if the inspector did his work properly. But in other cases, where a man has summer-fallowed all his land and

farmed properly while he was doing it, he might be paid. It would depend on the circumstances surrounding the case.

Mr. FAIR: I am very glad to hear that because I know of a case where a farmer has been diligently farming, and he summer-fallowed his land last year for the purpose of getting better production, and was denied the bonus. I am glad to hear from the minister that a person who is farming properly and who summer-fallowed in 1940 will get the bonus.

Mr. GARDINER: All these cases are under consideration, and they are settled on what the board considers to be the merits of the case. I should not like to say that the bonus will be paid in any particular case.

Item agreed to.

Special.

426. To provide for assistance to encourage the improvement of cheese and cheese factories —further amount required, $300,000.

Mr. TUSTIN: Last year the government set aside a certain sum of money to bonus the improvement of cheese, and many cheese factories included the bonus to the producers with their milk cheques on receiving the grade of the cheese. They now find themselves out a considerable amount of money, because they paid the last bonus with the last milk cheque. Is an item included in this amount to pay the factories for the last bonus on cheese, which was made last fall?

Mr. GARDINER: This amount is to make up the shortage in the estimate of last year for the payment of bonuses under the act. I am not just sure what the type of case is. If the cheese factory is entitled to a further payment, and it was only because there was a shortage of money at the time the application was made, then this sum of money being provided will make it possible to make that payment. The explanation in connection with the requiring of more money is largely to be found in the fact that there was a considerable increase, namely, fifteen per cent, in the production of cheese last year over the previous year, which increase was not estimated at the time. In addition, there has been quite an increase in the number of boxes of cheese which have gone into 94 and 93 as compared with the year before, 148,098 more boxes going into 94, and 192,873 more boxes scoring 93.

Mr. TUSTIN: That answers what I wished to know. The factories have paid the farmers the bonus on the quality cheese. I quite appreciate the fact that that quality has improved considerably.

Item agreed to.

[Mr. Gardiner.]

Governor general's warrants, 1939-40.

456. To provide for expenses of administration of the Prairie Farm Assistance Act (governor general's warrants of November 22, 1939, and January 10, 1940), $150,000.

Mr. DOUGLAS (Weyburn): This relates to 1939-40. Why does that come now, rather than at the last session?

Mr. GARDINER: As the hon. gentleman will remember, this act went through the house very late in the session, and there was no estimate. The act was passed after the estimates for agricultural purposes had practically all gone through the house. It was considered at that time that there was provision for the administration costs. We found out later that, legally, provision had not been made, and we had to find sums from other sources to pay costs of administration. To the extent that they could not be obtained from other sources, we had to pass warrants for them. The two warrants amounted to $150,000.

Mr. DOUGLAS (Weyburn): What would that make the total expenses?

Mr. GARDINER: It would be $266,595.62.

Mr. DOUGLAS (Weyburn): How does that compare with the crop year 1940-41?

Mr. GARDINER: The amount was $348,675.

Mr. DOUGLAS (Weyburn): The difference is largely because of the extra supervision connected with this 3,000 bushel limitation?

Mr. GARDINER: Yes.

Mr. McNEVIN: In connection with these administration costs, are the moneys paid entirely to individuals, or are the municipalities reimbursed for any expense in connection with the matter?

Mr. GARDINER: Under the Prairie Farm Assistance Act the municipalities do not do any of the administration work. The administration work is carried on by the staffs and inspectors who are put out by the government.

Mr. FAIR: When the regulations governing the Prairie Farm Assistance Act are being reconsidered, I hope the minister will again consider the 3,000 bushel limit, because in many instances it has worked great hardship on farmers. For example, a man who is farming with one, two, or three sons working with him, can have the benefit of the acreage bonus only if his yield is under 3,000 bushels.

Mr. GARDINER: I should point out that this limitation is in the act; it is not in the regulations.

Mr. FAIR: The act might be amended to fix that up.

Item agreed to.

DEPARTMENT OF LABOUR

432. Industrial Disputes Investigation Act—further amount required, $20,000.

Mr. MacINNIS: Before this item carries, I wish to draw attention to what I consider to be a vicious and pernicious principle which has entered into the matter of conciliations in labour disputes. I would not take the time to place it before the committee to-night were it not for the fact that I have in mind a board decision which has not been satisfactory to the employees concerned, who at the present time are on strike. It does not follow that I think all decisions should be in favour of the employees. That is a chance they must take in accepting the principle of conciliation, a principle which I believe to be a very good one. What I am objecting to now is the principle laid down in section 10 of order in council P.C. 7440. The section reads as follows:

In the case of any dispute in which a contract with a government department is involved, the board of conciliation and investigation to which the dispute is submitted shall afford to the department concerned the privilege of submitting to the board a brief in writing as to the views of the department on any matter touching the dispute.

The way in which that works is this. A dispute develops with regard to wages and working conditions, or any matter which affects employees, in a certain work in which the government is concerned. Either side makes application to the Department of Labour for a board. In the course of time a board is granted, and then another department of the government, the same government which has granted the application for the board, and has appointed the chairman of the board, sends its representative to appear before the board—

Hon. N. A. McLARTY (Minister of Labour): I do not think the hon. member means "the chairman"; he means the representative of the employer.

Mr. MacINNIS: Yes, that is right. But I am pointing out that the government appoints the board; it may appoint the chairman, and then a representative of the government appears before this board. The minister shakes his head, but I happen to have under my hand proof that this takes place. The representative appears before the board. This order in council says that he shall place the representations of the department concerned in writing. That is bad enough; as a matter of fact, it should not be done.

The case I have under my hand is that of a board which was granted in a dispute between H. F. McLean, Limited, and its plumbers, steam-fitters, sprinkler-fitters and general pipefitters employed at Ile de Salaberry, Quebec, members of local 144, United Association of Journeymen Plumbers and Steam Fitters. I am reading from a copy of the majority findings and the minority findings of the board, with a covering letter signed by the assistant deputy minister of labour and registrar.

In this case, H. B. Chase, director general of labour relations in the Department of Munitions and Supply, made, according to section 10 of order in council P.C. 7440, a submission to the conciliation board, and he not only made the submission in writing, but, according to the minority report appeared and made argument before the board. I shall show, before I have finished, that he went so far as to point out to the board that it would be illegal under order in council P.C. 7440 for the board to grant an increase of wages in the case. The minority report in the dispute is signed by the representative of the employees. I quote:

In accordance with clause 10 of order in council P.C. 7440, dated December 16, 1940, Mr. Howard Chase submitted a brief in writing on behalf of the Department of Munitions and Supply of the Dominion of Canada. Not only did Mr. Chase submit his brief, as provided for in section 10 of order in council P.C. 7440, but he furthermore read it, added comments, made comparisons and even touched the legal aspect of the fair wages policy of the government of Canada, together with possible legal rights being derived from a collective labour agreement, now in force in the district of Montreal.

That statement from the employees' representative bears out the point I made. The government sets up a board, appoints a chairman, and another government department appears before the board and declares that the board cannot make a certain award because it would be illegal according to order in council P.C. 7440. It seems to me that such procedure reduces the conciliation boards, in any industry in which the government is concerned, to a farce. They cannot in the circumstances be of the slightest value whatever. As a matter of fact, any one who reads the submission made by Mr. Chase to the board and then reads the majority findings of the board and compares the two, will find that the majority findings carry out every suggestion made by Mr. Chase. Let me read two sections on page 4:

The attention of your board is directed to order in council P.C. 7440, which has at least an indirect bearing on the case before you. It is true that the request is for an allowance for board and transportation expenses and it is equally true that an allowance for board is equivalent to an increase in wages.

With regard to sprinkler-fitters, the provincial decree above referred to specifies that when employed outside of the city of Montreal they will receive an extra 20 cents per hour. It is not referred to as an allowance for board—it

is a flat increase in the wage rate. Therefore, in the present instance while the request of the applicants is for an allowance for board, it is in effect a request for an increase in the wage rates, and as such, falls within the terms of P.C. 7440.

It seems to me it would be better, instead of stringing the employees along, to use the language of the street, and allowing them to think that they will get something in this way, for the Department of Labour or the Department of Munitions and Supply, or both, to tell the representatives of these labour organizations that there is no use in their applying for a board, that under order in council P.C. 7440 it is illegal for a board to give an increase in wages. It is an amazing fact. I have brought to the attention of this house several times during the last twelve months the lack of labour representation on the war boards apart from the national labour supply council. This is the only war board set up on which there was a representative of labour, and we find that this representative is used by the government to beat down the wages and impair the conditions of employees instead of helping them. I submit to the Minister of Labour that he give this matter careful consideration. It is, as I said before, nothing more than a farce to have a condition of affairs such as this. If it continues sooner or later labour will become so exasperated that not only a small number of workers as in this case, but a large number, will be involved in labour disputes and may to a very great extent interfere with war production.

Mr. McLARTY: I do not think I shall require many minutes to reply to the remarks of the hon. member. I quite agree with him that the reason why section 10 of the order in council was put in was to obviate the very thing that happened at Valleyfield. There is no question about it. The labour supply council went into the matter thoroughly, and it was their idea that putting that clause in, and allowing a memorandum to be submitted to the board by any interested department, was the farthest that the government should go. That condition was not observed in Valleyfield. I did not know of it at the time the board was sitting. Had an application been made for a rehearing, it might have been necessary to grant it, but no such application was made. I can assure the hon. member that the situation will not recur, because it is not in accordance with the section of the order in council.

Mr. MacINNIS: This is not the first instance in which the activities of Mr. Chase have been drawn to my attention. When the application of the employees of National Steel Car Corporation was before the Department of Labour for a board, Mr. Chase was sent, either by the Department of Labour or by the Department of Munitions and Supply, to Hamilton. The men understood that he had the granting of the request for a board with him. When he got to Hamilton, however, he told the employees that they could not get a board, and that even if they did, they could not get an award because of order in council P.C. 7440. That is the information I have from representatives of the employees of the National Steel Car Corporation. If the minister has information on the discussions which took place at the trades and labour congress at Vancouver last September, he will know as well as I do the statements that were made there with regard to Mr. Chase's activities respecting wages in the shipyards. I think it is time the Department of Labour told Mr. Chase where he gets off at.

Mr. McLARTY: I can assure the hon. member that Mr. Chase was not sent to Hamilton by the Department of Labour. I do not know what representations he made, but if he made a representation that they should not have a board he was certainly mistaken, because they have a board. I do not know what representations he made in Hamilton, nor do I know the purpose of his visit. Certainly I can assure the hon. member that he was not sent by the Department of Labour.

Mr. GILLIS: May I ask the minister who Mr. Chase is, where he comes from, how he came to get into the department as a representative of labour, and who recommended him? His activities have not been in the best interests of organized labour.

Mr. McLARTY: I can hardly be expected to say who recommended Mr. Chase for that department. It is not a department over which I have any jurisdiction whatever. I believe he was a member of one of the railroad brotherhoods.

An hon. MEMBER: The locomotive engineers.

Mr. McLARTY: I was not sure, but one of those. When the war supply board was originally set up, he came to Ottawa, I believe, and while he was not a member of the board he was active in labour relations. What his antecedents are, or the recommendations that were made respecting him, I do not know.

Mr. COLDWELL: He was not recommended to the government by organized labour as its representative. That, I think, is the point which is being made.

Mr. McLARTY: So far as I know, that would be correct.

Item agreed to.

Resolutions reported, read the second time and concurred in.

WAYS AND MEANS

SUPPLY BILL

The house in committee of ways and means, Mr. Vien in the chair.

Mr. ILSLEY 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, 1941, the sum of $78,744,584.32 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 57, for granting to his majesty certain sums of money for the public service of the financial year ending the 31st March, 1941.

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

Section 1 agreed to.

On section 2:

Mr. DOUGLAS (Weyburn): We have not copies of this bill. This is for the $78,000,000, is it?

Mr. ILSLEY: Yes.

Section agreed to.

Section 3 agreed to.

Schedule agreed to.

Bill reported.

Mr. ILSLEY moved the third reading of the bill.

He said: On this motion I should like to thank hon. members for their great consideration and kindly cooperation in permitting the passage of these supplementary estimates so speedily to-night.

Mr. CASTLEDEN: I should like to direct the minister's attention to the fact that the members of the Cooperative Commonwealth Federation party have been here one hundred per cent in dealing with these estimates.

Motion agreed to and bill read the third time and passed.

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

Friday, April 4, 1941.

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, April 4, 1941.

Sir:—I have the honour to inform you that the Right Hon. Sir Lyman P. Duff, Chief Justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber to-day at 3.15 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.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, as the house is already aware, a motion has been passed for the adjournment of this house at six o'clock on Wednesday for a substantial period. I understand the date of the adjournment was fixed on the conditional understanding that possibly the budget would be brought down the first of the coming week. The Minister of Finance (Mr. Ilsley) has announced that this is not now physically possible. It has been represented to me from both sides of the house that a large number of hon. members would desire, if possible, to have this house adjourn to-night at six o'clock for the Easter vacation, thus anticipating the adjournment by three days.

I understand a large number of hon. members have either departed or are about to depart by afternoon or evening trains. I would ask the Prime Minister (Mr. Mackenzie King) if the government would consider making a motion that when the house do adjourn at six o'clock to-night it shall adjourn for the Easter vacation, rather than having the adjournment on Wednesday next.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, may I interject that until five minutes ago I had no knowledge that this suggestion was going to be made. I should like it to be clearly understood that, so far as our group is concerned, we are not asking that this be done; indeed, we are opposed to it.

We consider that the wheat regulations require a thorough discussion before we leave this house for the Easter vacation. We have

had no opportunity to discuss these proposals and regulations. The policy was announced on March 12, and it was discussed briefly on March 27. The regulations were distributed in our mail-boxes on the afternoon of April 2. So far as my own constituents are concerned, this is the gravest problem which confronts them, and I am absolutely opposed to leaving this house until we have had an opportunity of discussing this matter thoroughly, in order that, before they put their seed in the ground, they may know exactly where they stand.

One other suggestion I would advance is this: Owing to the economic circumstances brought about by the agricultural situation in western Canada, the provinces of Saskatchewan and Manitoba particularly, and probably the other prairie province of Alberta, are faced with a grave relief situation which has not yet received any consideration at this session. Therefore we do not feel that we can consent to such a motion, if it is introduced by the Prime Minister.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I am of the same opinion as the hon. member for Rosetown-Biggar (Mr. Coldwell). I have not been at all satisfied with the way in which we have been able to deal with the problems which face us this year. I do not think anyone is to blame for this, but I believe that several matters which are vital to this country at the present time should be discussed. Not only is the wheat situation a grievous one, but the agricultural situation generally throughout the country is precarious. I see no reason why we should not stay here for three or four more days in order to let hon. members express their opinions concerning these problems, even though we do nothing about them.

When it was proposed that we should take a recess from April 9 until April 28, I raised no particular objection, but the thought passed through my mind that we were throwing away a great deal of valuable time. When we come back on April 28, the time left to discuss vital matters will, in my opinion, be altogether inadequate. Therefore, I am inclined to disagree with the suggestion that we lengthen the recess, although I have no desire to be an obstructionist in this regard. I merely express the feeling which, I am sure, prevails throughout my constituency and province.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, as Your Honour has just announced, the deputy of His Excellency the Governor General will proceed to the Senate at a quarter past three o'clock to give the royal assent to the bills which have passed both houses. The proceedings of this house will be interrupted at that time. As has been mentioned, this matter of adjournment has come up rather suddenly. I think it has come up as the result of a feeling which is general with respect to the desirability, all circumstances considered, of extending by two days and a half the vacation which has been arranged for Easter. It really means an accommodation of more than two days and a half because hon. members will be able to take advantage of Saturday and Sunday.

As the proceedings of the house may be interrupted at any moment, I was going to suggest that this matter might stand until after the deputy of His Excellency the Governor General has given royal assent. Possibly in the intervening period one or two of my colleagues could hold a conference with the hon. members who have spoken and, if thought advisable, I could, later on, introduce a motion which would permit adjournment to-day until the time fixed for reconvening after Easter. May I point out to my hon. friends who have taken some exception to a longer recess, that by the rules the matters which would come up for discussion next week would be the motion of the hon. member for Haldimand (Mr. Senn) in the nature of amendment to the house resolving itself into a committee of supply. In all probability the debate on that particular motion would not be concluded by Wednesday afternoon, and there would not be a chance for the Minister of Agriculture (Mr. Gardiner) to go on next week with the matters to which my hon. friend has referred. The minister is, I understand, quite prepared to go on with those matters this afternoon. So far as the government is concerned, we have no desire to press consideration this afternoon of the other bills on the order paper. By having the Minister of Agriculture go on immediately with his estimates, by having a full discussion on the matters referred to, I would hope that it might be possible to meet the objections which hon. gentlemen opposite have raised and bring about a general agreement as to adjournment at six o'clock to-day. I shall have something more to say on this after the royal assent has been given.

SUPPLY

The house in committee of supply, Mr. Fournier (Hull) in the chair.

DEPARTMENT OF AGRICULTURE

Special

422. To provide for payments on reductions in wheat acreages, under conditions prescribed by the governor in council, for administration expenses in connection therewith, and for tem-

porary appointments that may be required notwithstanding anything contained in the Civil Service Act, $35,000,000.

Mr. LEADER: I am sure that my constituents will expect me to have something to say on this vital question of reduction in wheat acreages. Having spent all my life on the farm, for over half a century working and tilling the soil, I should know something about farming; and so far as the wheat problem is concerned, I have solved that problem for myself. Years ago we decided to curtail our wheat acreage and to go into more diversified farming, and I am glad to be able to say that after twenty-two years in the cattle business, the wheat problem does not worry me at all. I believe that the same thing could be said of thousands, yes thousands, of farmers in the Canadian northwest, that those who have taken up diversified farming have been able to stand up in the trying times that we have endured in the last ten years.

The memories of hon. members may go back to November 21 of last year to the speech I made in this house outlining what I thought the government should do with regard to the wheat problem. At that time I took the stand that we had come to the position where the farmers themselves must realize that we cannot continue to raise wheat in this country to the same extent that we have done in late years. This huge surplus must be reduced if we are to have any hope of ever getting the price up to where it should be.

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 an agreement between His Majesty the King and the corporation of the city of Ottawa.

An act to amend the Meat and Canned Foods Act. (fish and shellfish)

An act to amend the Precious Metals Marking Act.

An act respecting the appointment of auditors for national railways.

An act to amend the Trans-Canada Air Lines Act, 1937.

An act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1942.

An act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1941.

An act for granting to His Majesty aid for national defence and security.

An act for granting to His Majesty aid for national defence and security.

SUPPLY

The house resumed in committee of supply, Mr. Fournier (Hull) in the chair.

The ACTING CHAIRMAN (Mr. Fournier, Hull): When the proceedings were interrupted for the royal assent, we were considering item *422*.

Mr. LEADER: Consequently I recommended a reduction in wheat acreage which would carry with it a higher initial price for the number of bushels which we were allowed to deliver. I also recommended that farm storage be continued on an equal basis of payment to that made to line elevators. I also urged that a policy be announced by the government as soon as possible, in order that farmers might have this information and govern their seeding operations accordingly.

I went home shortly after I made that speech, as all hon. members did, and I undertook to hold meetings throughout my constituency. We had some six meetings. My constituents had digested my speech, and I assure the committee that they were fairly well satisfied with it. One thing I advocated in that speech was to lend some encouragement to the smaller farmers of the country. I advocated a higher initial price on a stated number of bushels which the government would take from each farmer, allowing the smaller farmers to contribute so much; and then if the government could take any wheat above that quota, they would take it from the larger farmers. I had no reason to think otherwise than I did in November last; so, when this policy that has been announced by the government fell upon my ears, it is reasonable to expect that I would have this reaction, namely, that I am not in favour of this policy, and I will try to give my reasons.

I believe that when the government announced that they were going to pay only 70 cents a bushel as an initial price on this year's crop, that that had the effect of lowering the price of wheat. On March 13, the day after the announcement was made, May wheat was selling in Winnipeg at 77¾ cents, and Chicago wheat on that date was 85¾ cents. On April 2, Winnipeg May wheat was selling at 76⅞ and Chicago wheat at 92⅛ cents. In other words,

since the announcement was made, Winnipeg May wheat had dropped ⅞ths of a cent, and Chicago had advanced 6⅝ths cents. This is conclusive proof that the announcement by the government of that policy of 70 cents had the effect of lowering the price of our wheat and keeping it down.

This is what the Ottawa *Citizen* had to say:

It was believed that the lower basic wheat board price for western Canada's 1941 wheat crop than had been anticipated was largely responsible for the buying apathy.

The Winnipeg *Free Press* the next day said practically the same thing. The point I wish to make is that while our wheat has gone down since the announcement was made, Chicago wheat has gone up, and that is conclusive proof that the announcement had the effect of bearing down our price.

I was surprised when the Minister of Agriculture declared that he had embodied in this government proposal a large part of the recommendations made by the advisory committee of the wheat board and the Canadian Federation of Agriculture. Well, he may have adopted some of the minor suggestions but certainly none of the essentials. The essentials advocated by these two bodies of which I have spoken called most definitely, for a higher initial price, and that is the one point on which the whole thing hangs. Not only these organizations, but every other organization that I have been able to read about, have declared that we should have a higher initial price.

The minister put on *Hansard* the recommendations of the Canadian Council of Agriculture and also, I believe, of the advisory wheat board. I will give the recommendations made by the Saskatchewan government. These are extracts from the *Western Producer*, and I have no doubt they are authentic. They are condensed and are quite brief:

1. An increase in the wheat board statutory initial payment from 70 cents to 85 cents per bushel.

2. An increase in the amount of the processing tax from 15 cents to 50 cents per bushel on all wheat processed for domestic consumption.

3. Continuation of the quota system of deliveries as and when storage space becomes available.

4. Federal assistance for the construction of suitable farm storage facilities where this is required.

5. Advances to the farmers against that portion of their quota which they may not be able to deliver immediately.

6. The maintenance of the wheat carryover at the end of the present grain year to be regarded as an essential part of Canada's war effort.

I call attention to the fact that the Saskatchewan government asked for a higher initial price and named the price, which was 85 cents a bushel. The Canadian Federation of Agriculture declared that the Saskatchewan recommendations were just about what they themselves proposed to the government. The federation have an association in British Columbia, one in Alberta, one in Saskatchewan, one in Manitoba, one in Ontario, one in Quebec and others in the maritime provinces, so that the organization is representative throughout the dominion; and they have declared that the Saskatchewan proposals were practically what they recommended, only they did not state the initial price.

All of us, including these associations I have mentioned, were disappointed, and they have not been shy in expressing their disappointment. I have here a letter from the president of the Canadian Federation of Agriculture in Winnipeg. He says:

During the coming crop season higher costs of production are inevitable, which further warrants an increase in the guaranteed price.

We respectfully urge you to press for further consideration of the price feature of the proposed wheat policy.

I picked up a newspaper and came across a heading which just about covers the point I am making about the disappointment that exists. It is headed: "Wheat policy blasted." It goes on to say:

The prairie wheat pools in a joint statement issued from Regina said that the recent federal government wheat policy for 1941-42 crop year was received on the prairies with surprise and dismay, and urged the government to reconsider and bring it in line with the needs of Canadian agriculture.

There is, however, something else which to me is of more importance. On March 18 this resolution was drafted and sent to me:

That we the Poplar Heights local of the Manitoba Federation of Agriculture hereby declare our disapproval of the wheat policy as announced by Mr. Gardiner and Mr. MacKinnon on the grounds that it would not work with equality or relieve the wheat storage situation. Therefore we respectfully ask our member, Mr. Harry Leader, to urge upon the government reconsideration of the policy, and adoption of the proposals as contained in the brief submitted by the Canadian Federation of Agriculture of January 27 last.

That is signed "Mrs. Thomas Tully."

With the advice of all these organizations and with my speech before them, the government decided to bring in this policy. There is a saying that when a man gets an idea in his head and someone else expresses it, he says: "That is my baby." Evidently this is not the baby of the farm associations across Canada. I do not think the Minister of Agriculture (Mr. Gardiner) and my respected friend the Minister of Trade and Commerce (Mr. MacKinnon) will be offended if I say it is their baby, because they brought before

the house this fantastic proposal; I can think of no better term for it. It is their baby, Mr. Chairman; its parentage cannot be questioned.

I wish now to deal with a question which has disturbed me, as I know it has disturbed many members of this house in recent years, namely, the constant reiteration from all sides that the east is bucking the west and the west is bucking the east. If we are going to have unity in this, one of the finest countries in the world, then we must have more harmony. We should have a policy devised that will be acceptable to both east and west, something on which we can compromise. We cannot get all we want, but let us settle on something and be good nationals; I almost said good neighbours. There is an old saying that the farmers must hang together or they will hang separately. The other night I was pleased to hear the hon. member for Victoria, Ont., say he realized the problems and disabilities from which the west was suffering, and that he was willing to help us solve those problems. Perhaps I should read what he had to say:

I have great sympathy for the western Canadian farmer. Let me add that when the Minister of Trade and Commerce brings down his wheat legislation, if he will increase the 70 cents a bushel to 75 cents—

Mr. Leader: Eighty-five.

Mr. McNevin: We will discuss that suggestion later, but for the purpose of this illustration I will say 75 cents.

I believe—and I am now talking right at the Minister of Agriculture—that if the government had been bold enough to say, "We will pay 85 cents a bushel on 230,000,000 bushels," that proposal would have carried in this house. I firmly believe the Ontario members, realizing our disabilities out west, with their desire to help, would have said, "We will support that suggestion." I wish now to ask why the government did not bring in that recommendation. That is what the people of this country asked for; and I believe—I speak subject to correction—that every member of this house would have supported it. It is only right and just that the western Canadian farmers should have this concession, if that is the proper term for it.

May I now discuss the proposed bonuses. I contend, Mr. Chairman, that they will not benefit the average farmer. They may be of assistance to the man operating a large, mechanized farm; but, do you know, sir, that is the very guy who brought this problem upon us. I say that without intending to be disrespectful. I have just as much regard and good-will for the large farmers as I have for the smaller ones; they have just as much right to live in this country, but they are the people who have heaped up this huge surplus. The smaller farmers and their families, living on the land, are the greatest asset of the nation. Many hon. members representing rural constituencies have said to their electors that the farmers are the backbone of this country. I have made that statement; and I have declared that agriculture is the basic industry of the country. Therefore the smaller farmer and his family, making a living on the land, is really the one who should be considered. What percentage of the population of this country live on the farms? I am informed that it is at least one-third.

In that connection I should like to repeat some figures which I placed on *Hansard* on a previous occasion. According to the table which I placed on record at that time, thirty-five per cent of the farmers in the three prairie provinces sow less than fifty acres of wheat a year; that is according to the 1935 census. Those farmers have a slim chance of reaping any benefit from this bonus, after having had no wheat for perhaps three or four years. Why, I know several farmers who have not sown wheat for the last ten years, and they do not come into the picture at all, although I believe some regulations will be drawn up to take care of them. Further than that, sixty-two per cent of the farmers of the west sow less than one hundred acres of wheat a year. Therefore I think there is truth in the statement that this policy will not benefit the smaller farmers of this country.

I should like to give an example of how this policy will work. When some people speak of summer-fallowing, and being paid a bonus for it, it occurs to me that they think we can summer-fallow for nothing. It costs money to summer-fallow. As a rule, in farm leases in Manitoba they allow $5 an acre for any summer-fallow the tenant has not done, but I am going to be conservative and place the figure at $2 an acre. That is not all velvet. I can assure you, Mr. Chairman, that it costs a great deal more than $2 in my district if you do the summer-fallowing right, but we will put it at that figure. The bonus on one hundred acres of wheat at $4 an acre will be $400. The cost to the farmer would be at least $200, which would leave him a net revenue of $200 from his summer-fallowing.

This is what I would do; this would be my alternative. I would take that one hundred acres and sow it in wheat if the government had a policy that would allow me to do so. It is a poor field of summer-fallow that will not produce at least twenty bushels to the acre. That would give me two thousand

bushels from the one hundred acres. Of that two thousand bushels the government will take only two-thirds, or 1,333 bushels, which at 15 cents a bushel would amount to $199.80, or almost equal to the summer-fallow bonus. This will leave me 666 bushels, which the government does not want. What is the farmer going to do with those 666 bushels of wheat? Well, he will just put them in his granary. Can you think of any form of crop insurance, Mr. Chairman, that would stand a man in better stead than a binful of wheat; and can you think of anything that would bring this problem to the mind of the farmer more vividly than to find himself with a binful of wheat which he could not deliver? The next year he would hesitate before putting in much more wheat.

The coarse grain bonus is, I think, the most attractive of the three proposals. If I have to make a decision between summer-fallowing, sowing to grass or sowing to coarse grains, I will sow to coarse grains. If I take one hundred acres of summer-fallow, I can produce forty-five bushels to the acre. We usually sow barley on the second crop, some of it on the poorest land we have; but if we sow barley on the good summer-fallow, we can just double the bushelage of barley in this country right under this very plan. If we do that, what will be the result? We are just going to have the wheat problem transferred to a barley or some other coarse grain problem. That result is inevitable.

I believe the bonus relative to pasture land has some merit, but it is a long-range programme. It is something which cannot be of much benefit to the farmers this year, beyond the $2 bonus which is to be paid. There is certainly room in Canada for more grass land; that is where diversified farming comes in. We could develop our cattle industry and our sheep industry away beyond its present size, if that development were permitted. The other evening and afternoon when I listened to some of my good friends on the Conservative side of the house arguing that there should be more restrictions on trade with the United States—they referred particularly to fresh fruits—and when they were told by the Minister of Finance that such restrictions would endanger the Canada-United States trade agreement, I could not help thinking they had not realized what that agreement meant to western Canada—yes, to the whole of Canada.

In these days, statesmen do not talk about restrictions in trade. The tendency is altogether the other way. Men are talking about cooperation, and the possibility of removing barriers of trade between nations. The United States trade agreement of 1936 and again renewed in 1939, proved a godsend to the cattle raisers of Canada. Where would we be to-day, with our markets across the ocean shut off, were it not for that trade agreement? Now that we have not the market in the old country, where would we be if we did not have that outlet to the south? Some will argue, "You cannot even fill your quota." No, we cannot; but that outlet is removing the surplus from the domestic market, and assures us of a higher price all round. There is no doubt about that.

It is wrong, therefore, for us to suggest anything which would interfere with the Canada-United States trade agreement. That arrangement stands out as an oasis in a desert, so far as the legislation of this government is concerned. The farmers' position is not good, and I am satisfied it is not going to be any better under this new policy. The farmers are willing to shoulder their responsibilities in this war. They are willing to pull more than their weight, and, indeed, they are doing so. But why should farmers be asked to be the shock-absorbers of the whole nation? That is what has happened. All other prices are rising. Look at the profits being paid by every company in Canada, and then look at the position of agriculture, the basic, backbone industry of the country.

Farmers cannot do other than keep on tilling the soil; that is their occupation. We cannot pull up stakes and go somewhere else. We just have to keep on going, whether we do or do not receive a fair price, and take our chance on the next crop. I find, upon looking into figures received by farmers in recent years, that although those living on the land comprise one-third of our population, they enjoy only ten per cent of the national income. Nevertheless, while agriculture is not prospering, many secondary industries, founded upon the work of the agriculturists, are making money.

I shall mention some of those industries. Take the meat packers, the milling companies, the farm machinery companies and the grain trade. Each of those industries is dependent upon agriculture, and to-day each is prospering. Why? Because they can transfer their energies to something else.

I have before me figures showing that in 1939 Canada Packers had a net surplus of $1,238,736, and, in 1940, a net surplus of $1,667,809. In 1939 Swift Canadian had a net surplus of $376,598, and in 1940, $394,109. Lake of the Woods Milling company is a firm which has suffered in recent years, but,

on account of the war, its business is improving. In 1939 that company had a surplus of $596,691, and, in 1940, $476,601. The Massey-Harris company, too, suffered in past years, but now they are making money, and they made money for several years before the war. In 1939 they had a surplus of $705,337, and in 1940 they had an operating surplus of $3,132,158. But through their method of bookkeeping, which no doubt is a correct one, they show, in 1940, a net income of $805,568.

Mr. MARTIN: Have they paid dividends recently?

Mr. LEADER: Just to the preferred shareholders, I believe. If hon. members wish, I could give the source from which I have obtained these figures.

I should like now to say something concerning the grain trade. Before dealing with that trade, may I correct a statement I made in the speech I delivered last November. At that time I said that the storage paid to the line elevator companies was three-quarters of a cent a bushel. That was an unintentional mistake, and I am glad to correct it at this my first opportunity. Instead of stating that it was three-quarters of a cent, I should have said it was two-thirds of a cent. This amounts to one cent a bushel per annum. This does not look like very much, but on hundreds of millions of bushels on which storage is paid, it can be readily understood that the total amount involved will be considerable.

The grain trade have been pretty well looked after by the parliament of Canada. I refer not only to recent years. They have been looked after as long as I can remember, and they are being well looked after to-day. They are making money; in some departments they never made as big dividends as they are making at the present time, right in the midst of this war. The charges the nation will have to pay the line elevator companies—and in that I include the pool elevators and the United Grain Growers—to carry the surplus will amount to approximately $65,000,000 a year.

When the Minister of Trade and Commerce made his announcement he said, speaking of the surplus and the problem of taking care of it:

> To meet this situation the government entered into an arrangement with western elevator companies for the construction of approximately 50,000,000 bushels of temporary terminal storage space at Fort Willian-Port Arthur. The arrangements made were approved by order in council of February 19, 1941. I am assured a large part of this new space will be ready by July 31 of this year and the remainder in August and September. These facilities are being constructed by the elevator companies. The government has agreed to maintain all elevator tariff charges now prevailing without reduction until July 31, 1943, and to allow the companies to write off as depreciation for income tax purposes 50 per cent of the actual cost of construction in each of two successive years.

The point I make is this, that the government of Canada have guaranteed to the elevator companies two years' storage, whether we get rid of this surplus or not. Someone has said that the old country will be bombed, that the wheat fields will be set on fire, that the grain will be destroyed and that this wheat will be needed. If that comes true, it means that we have entered into a contract, if not written, at least oral, by which we undertake to continue paying these storage elevators for the next two years at the rate of approximately $65,000,000 a year. The minister goes on to say:

> It is further agreed by the companies that after the 31st day of July, 1943, they will, upon request, each enter into agreements (upon the basis of payment of reasonable remuneration for each operation) as may be mutually satisfactory in the light of the operating experience gained during the period up to July 31, 1943, for the operation of its temporary facilities during the balance of the time such facilities are needed.

There are hon. members who will argue that it will be four years before we can get rid of our surplus wheat, so this will be rather an expensive proposition for the government and the people of this country. A meeting was held at Portage la Prairie and a resolution was passed asking the government to provide some means of assistance, even if only to aid us in providing storage facilities on the farm where this is needed. Of this $65,000,000 that we are paying out to the elevator companies, not one dollar is going to the farmer. There was a time when we hoped that we were going to get another ten cents a bushel on our 1939 crop, but we did not get it. Why? Because it had been eaten up in the payment of these storage charges. I know this may be something the government cannot help at the present time, but they seem to have slipped a cog in this connection by not paying attention to the necessity of providing more storage facilities on the farm where this is needed. We need these granaries, and we need them filled with grain as a security against crop failures.

Mr. WOOD: Does the farmer of the west really believe that it is an obligation of the government to build granaries on the farms?

Mr. LEADER: No, he does not, but the suggestion was made that loans should be made to the farmers or they should be provided with lumber for that purpose. Then

storage charges could be paid to them instead of to the line elevator company, and the government would get their money out of the storage charges when the wheat was sold. That is all we are asking for.

Mr. WOOD: It is a wonderful thing if you can get it. We in Ontario do not take eagerly to having the government provide granaries for the farmers in the west. We have had to erect expensive buildings to carry on our operations, and we are always glad to have a little wheat in our granaries. We do not expect the government to lend us money. We find it somewhere.

Mr. LEADER: I am sure the hon. member for Brant is one of those who would be willing to cooperate with western members in order to try to understand our problems and to arrive at some solution which would be beneficial both to the east and to west. We do not want the government to build our granaries; all we ask is that it be made a little easier for us, especially when they are ready to pay out this money to the line elevators.

Mr. DOUGLAS (Weyburn): Is it not true that wheat is the only commodity which the farmers of Canada have been denied the right to sell? Consequently there is some obligation to the farmer.

Mr. LEADER: One could make a whole speech on that question. There is no doubt there is something in what the hon. member has said.

Mr. WOOD: That is not so.

Mr. DOUGLAS (Weyburn): What other commodity is there?

Mr. LEADER: I should like to say something about the barley industry. I believe we can grow as good barley in Canada as can be grown anywhere. If the seed is sown on good ground, if the barley is properly harvested, the product will be as good as that grown any place in the world and will be sought after by the distilling interests. There is a market for more good barley in this country, and barley is a revenue producer for the government. According to the figures which I have secured from one of the blue books, in 1939 the government obtained, through the excise tax on malt, a total of $8,177,299.20; in 1940 the revenue from this source was $11,402,150.76. While all that did not come from barley, almost all did. About 95 per cent of the grain used to produce malt is barley, and 97 per cent of the malt entered for consumption is used in the production of beer. The beer manufacturers do not get any revenue from me in that connection, but it is interesting to note that a bushel of barley produces thirty-six pounds of malt. The excise tax is ten cents per pound on malt, which means that a bushel of malting barley provides a revenue of $3.60. Yet we have been selling this for thirty cents a bushel. There is some room for thought right there.

There is, in connection with barley, a matter which I have brought to the attention of the government on three or four occasions. The grain trade charge $15 for selling a carload of wheat, but to sell a car of barley of the same capacity, they charge $18.75. They have been able to get away with this. I do not know how long it will continue, but I have brought it before this house and to the attention of the government privately. The answer I have been given is that this is a matter to be settled by the grain trade. I took it up with the grain trade, and the counsel of the grain exchange told me that they believed the charge was reasonable. If we leave it to the grain trade, we shall continue to pay $3.75 more selling commission on a carload of barley than we do on a carload of wheat.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I am sorry to interrupt the hon. gentleman, but he has spoken for more than forty minutes.

Some hon. MEMBERS: Go on.

Mr. LEADER: I thank the committee for listening to me, and I shall conclude right away. I have been speaking as a farmer and as a representative of farmers. I am speaking not only for myself, but also for my constituents. On several occasions I have found it necessary to oppose the government. That is not because I wanted to; it was simply because I believed honestly that I am here to represent my people before supporting the government or any other party. That is my honest belief. I am simply trying to discharge the duty which has been imposed upon me.

Mr. FAIR: Mr. Chairman, on March 27 I had an opportunity to discuss the wheat question, but eleven o'clock came along before I had completed my remarks and we were sent home for the day. Under the policy laid down by the government this year, a price of 70 cents a bushel will be paid on 230,000,000 bushels. This will net the farmers of the west less than $115,000,000. We know from past experience that we cannot get along on that amount. If we do not get enough to live on from the sale of our products, we shall have to have relief or something of that kind. We do not want relief. I think I stressed this point when speaking on the last occasion. I

have here some figures showing the average price received for wheat over a number of years. The figures are as follows:

	Average price received per bus.
1908 to 1913, inclusive	$0.71
1908 to 1929, inclusive	1.05
1930 to 1939, inclusive	0.55
1908 to 1939, inclusive	0.90

When speaking on a previous occasion I pointed out that despite the fact that No. 1 averaged $1.17 at Fort William, over a 64-year period, we still had to have the Farmers' Creditors Arrangement Act, and millions of dollars were spent on relief. I am now suggesting once more that the initial price of wheat be increased, and increased considerably.

I should like at this time to place on *Hansard*, if I may, a table which was issued by the Canadian Federation of Agriculture. I shall not take the time of the house to read it, but by consent will place it on *Hansard*. It contains much valuable information in which I am sure hon. members will be interested. It is as follows:

Wheat Prices and Value Per Acre of Wheat Production for the Period 1908 to 1939 inclusive

	Average price received per bus.	Average value per acre
1908 to 1913, inclusive ..	·71	13·87
1908 to 1929, inclusive ..	1·05	18·15
1930 to 1939, inclusive ..	·55	6·95
1908 to 1939, inclusive ..	·90	13·84

The purpose of this table is to show the range of wheat prices prevailing in the prairie provinces from 1908 to 1940.

The thirty-two year average price to the farmer at his local shipping point was 90 cents per bushel.

Under the present proposal, the estimated price to the farmer would be 50 cents per bushel (plus whatever storage charges he may earn) for greatly reduced deliveries.

The situation disclosed by these figures shows very clearly the need for a higher price to the farmer for the wheat he can deliver in the coming crop year.

The attached statement of acreage, production, value per acre and per bushel were secured from the dominion bureau of statistics.

Acreage, Production, Value per Acre and per Bushel of Wheat in the Prairie Provinces, 1908 to 1940

	Acreage of wheat	Production of wheat	Yield per acre	Value of Production In Manitoba	In Saskatchewan	In Alberta
	acres	bus.	bus.	$	$	$
1908	5,624,000	91,853,000	16·33	41,924,000	25,883,000	4,617,000
1909	6,878,000	147,482,000	21·44	45,854,000	68,669,000	7,037,000
1910	7,867,423	110,166,704	14·00	28,584,199	50,213,376	6,676,318
1911	9,990,461	208,697,000	20·89	42,089,000	63,407,000	22,516,000
1912	10,011,000	204,280,000	20·41	42,221,000	59,910,000	18,459,000
1913	10,036,000	209,262,000	20·85	37,858,000	77,805,000	21,009,000
1914	9,335,400	140,958,000	15·10	38,963,000	70,556,000	26,403,000
1915	13,867,715	360,187,000	25·97	62,662,900	203,888,000	58,325,600
1916	14,362,809	242,314,000	16·87	36,500,800	188,917,600	86,600,000
1917	13,619,410	211,953,100	15·56	84,144,300	229,966,900	91,941,300
1918	16,125,451	164,436,100	10·20	99,274,000	184,061,000	45,604,000
1919	17,750,167	165,544,300	9·33	98,341,000	208,787,000	79,945,000
1920	16,841,174	234,138,300	13·90	68,769,000	175,360,000	126,861,000
1921	22,181,329	280,098,000	12·63	35,539,000	142,880,000	40,756,000
1922	21,223,448	375,194,000	17·68	49,842,000	212,642,000	50,031,000
1923	20,879,558	452,260,000	21·66	23,989,000	176,554,000	94,143,000
1924	21,066,221	235,694,000	11·19	51,415,000	160,831,000	73,575,000
1925	19,759,648	367,058,000	18·58	40,940,000	294,281,000	116,735,000
1926	21,805,314	380,765,000	17·46	51,375,000	237,218,000	119,686,000
1927	21,425,656	454,559,300	21·22	32,619,000	244,925,000	168,003,000
1928	23,158,505	544,598,000	23·52	48,192,000	247,336,000	128,511,000
1929	24,297,116	281,664,000	11·59	30,279,000	165,382,000	94,385,000
1930	23,960,000	397,300,000	16·58	23,980,000	97,149,000	66,150,000
1931	25,586,092	301,181,000	11·77	11,526,000	50,337,000	50,617,000
1932	26,395,000	422,947,000	16·02	16,736,000	74,043,000	53,554,000
1933	25,177,000	263,004,000	10·45	16,986,000	60,162,000	46,050,000
1934	23,296,000	263,800,000	11·32	24,115,000	69,662,000	65,250,000
1935	23,293,000	264,096,000	11·34	14,183,000	85,319,000	60,175,000
1936	24,837,800	202,000,000	8·13	23,660,000	101,200,000	60,720,000
1937	24,599,000	156,800,000	6·37	46,002,000	37,800,000	77,214,000
1938	24,946,000	336,000,000	13·47	30,500,000	79,924,000	85,956,000
1939	25,813,000	494,000,000	19·14	33,715,000	146,502,000	83,928,000
1940	27,750,000	525,000,000	18·92	34,980,000	141,440,000	89,760,000

Acreage, Production, Value per Acre and per Bushel of Wheat in the Prairie Provinces, 1908 to 1940—*Concluded*

	Total value	Value per acre	Price per bushel	Index of value per acre	Index of wholesale prices	Purchasing power	Index of purchasing power
	$	$	$	1913=100	1913=100	$	1913=100
1908	72,424,000	12·878	·788	94·6	91·4	14·090	103·5
1909	121,560,000	17·674	·824	129·8	92·9	19·025	139·7
1910	85,473,893	10·864	·776	79·8	94·0	11·557	84·9
1911	128,012,000	12·813	·613	94·1	97·2	13·182	96·8
1912	120,590,000	12·046	·590	88·5	102·2	11·787	86·6
1913	136,672,000	13·618	·653	100·0	100·0	13·618	100·0
1914	135,922,000	14·560	·964	106·9	102·3	14·233	104·5
1915	324,876,500	23·427	·902	172·0	109·9	21·317	156·5
1916	312,018,400	21·724	1·288	159·5	131·6	16·508	121·2
1917	406,052,500	29·814	1·916	218·9	178·5	16·703	122·7
1918	328,939,000	20·399	2·000	149·8	199·0	10·251	75·3
1919	387,073,000	21·807	2·338	160·1	209·2	10·424	76·5
1920	370,990,000	22·029	1·584	161·8	243·5	9·047	66·4
1921	219,175,000	9·881	·782	72·6	171·8	5·751	42·2
1922	312,515,000	14·725	·833	108·1	152·0	9·688	71·1
1923	294,686,000	14·114	·652	103·6	153·0	9·225	67·7
1924	285,821,000	13·568	1·213	99·6	155·2	8·742	64·2
1925	451,956,000	22·873	1·231	168·0	160·3	14·269	104·8
1926	408,279,000	18·724	1·072	137·5	156·2	11·987	88·0
1927	445,547,000	20·795	·980	152·7	152·6	13·627	100·1
1928	424,039,000	18·310	·779	134·4	150·6	12·158	89·3
1929	290,046,000	11·937	1·030	87·7	149·3	7·995	58·7
1930	187,279,000	7·816	·471	57·4	135·3	5·777	42·4
1931	112,480,000	4·787	·373	35·2	112·6	4·251	31·2
1932	144,333,000	5·468	·341	40·2	104·2	5·248	38·5
1933	123,198,000	4·893	·468	35·9	104·8	4·669	34·3
1934	159,027,000	6·826	·603	50·1	111·8	6·106	44·8
1935	159,677,000	6·855	·605	50·3	112·6	6·088	44·7
1936	185,580,000	7·472	·919	54·9	116·5	6·414	47·1
1937	161,016,000	6·546	1·027	48·1	132·1	4·955	36·4
1938	196,380,000	7·872	·584	57·8	122·8	6·410	47·1
1939	264,145,000	10·233	·535	75·1	117·8	8·687	63·8
1940	266,180,000	10·337	·507	70·4	129·5	7·407	54·4

I come now to the summer-fallowing proposals. A bonus of four dollars an acre is to be paid on summer-fallow and two dollars an acre if coarse grains are sown. The suggestion is that we shall have an increase of 9,000,000 acres during the present year. I do not for one moment agree with that suggestion. We are expecting to have approximately 15,500,000 acres of summer-fallow, exclusive of the 9,000,000 increase, and according to the figures given by the speaker who has just resumed his seat (Mr. Leader), 35 per cent of our farmers sow less than 50 acres of wheat, and 62 per cent, less than 100 acres. Therefore hon. members will readily understand that our farmers cannot afford to summer-fallow a much greater acreage than they are doing at the present time. The farmer, like everybody else, much have a certain amount of money upon which to live, and when prices are cut, the practice of the farmer is to sow more grain, because, of course, he must have a certain amount of income anyway. Therefore I do not think the programme outlined by the government is going to do us very much good.

Coarse grain prices are at the present time and have been for the past number of years so low that it did not pay to raise them. I know several farmers in my district who have been holding grain in storage for the past two or three years because it was not worth much more than the price of hauling it to the elevator, and that applies particularly to low-grade oats. Barley was in approximately the same category.

Again, if the government's programme is carried out, I wonder whether the Minister of Trade and Commerce (Mr. MacKinnon) or the Minister of Agriculture (Mr. Gardiner) has considered where the wheat crop of 1942 is to

be stored. We realize that there should be some reduction in wheat acreage because until we reduce the surplus on hand, we cannot get the prices to which we are entitled. I think, Mr. Chairman, that is all I need say upon that at present, because we shall have an opportunity later to go into the matter in greater detail.

The Minister of Agriculture has given us a part of the report of the advisory committee on wheat, but since all members are, I think, greatly interested in that report, I should like to see it placed on *Hansard* in full, or at least tabled.

I would also suggest that the Minister of Trade and Commerce investigate the reasons why grades have been cut down during the past months. Several of my neighbours, when they threshed their grain, got grade No. 1, but afterwards that was cut down, in some instances, to No. 3—a lower grade for exactly the same wheat. There is something rotten in Denmark, if I may use the expression, something radically wrong with our grading system when that kind of thing is permitted to go on. It means that our farmers are being robbed, and I would suggest that the minister provide a remedy.

When our group came here last November, we placed on the order paper, in the name of the hon. member for Bow River (Mr. Johnston), a resolution reading as follows:

> Whereas the price of farm machinery, all costs of living and farm wages have increased due to the war;
>
> Therefore be it resolved,
>
> That in the opinion of this house, parliament should immediately take such steps as are necessary to ensure the farmers of Canada a fixed price of not less than one dollar per bushel for number one northern wheat at their local elevator, on at least the first 2,000 bushels of the 1941 crop.

In case the Minister of Agriculture or the government and its supporters should think that is an extravagant price, I should like to quote from a pamphlet of the Saskatchewan Liberal Association, printed by Commercial Printers Limited, Regina. It reads:

> European countries are willing to trade.
> The Liberal party is willing to trade.
> Trade will bring dollar Wheat.
> Dollar wheat will end your troubles.
> Wear shirts, wear shoes, wear pants, wear coats, traded from those who eat your wheat.

Mr. TRIPP: We have had dollar wheat since that circular was issued.

Mr. FAIR: If the hon. member in the corner will keep quiet, he will have his chance to say all he wishes when I have finished. I was going on to say, Mr. Chairman, that dollar wheat is exactly what we are recommending. The circular continues:

> Dollar wheat will run your farm and pay your taxes.
> Dollar wheat will pay the hired help and pay your repair bill.
> Dollar wheat will pay your insurance and buy your wife a new dress.

The circular ends with the words in large type, "Vote Liberal."

Mr. TRIPP: They did vote Liberal.

Mr. FAIR: And they have been sorry ever since. I may say, in answer to the hon. member who interrupted, that it is a good thing we have an election every few years because, while the people may make a mistake once we remember the old saying, "You can fool some of the people all of the time, and all of the people some of the time, but you cannot fool all of the people all of the time."

An hon. MEMBER: You have done it twice.

Mr. FAIR: I have represented fairly—and I say "fairly" advisedly—the people who sent me here, and I shall continue to do so for as long as they see fit to send me here.

The group with which I am associated recommend that the government take immediate steps to pay one dollar a bushel at the local elevator for the first 2,000 bushels of wheat. Again, this may be claimed to be impossible. According, however, to the figures just given by the hon. member for Portage la Prairie, 35 per cent of our farmers sow less than 50 acres, and 62 per cent, less than 100 acres. We cannot expect a number of these farmers to raise 2,000 bushels, and if they do not raise it, naturally they cannot deliver it. Quite a number of them will not deliver more than one or two hundred bushels. I believe that our proposal is fair and will give agriculture a chance to pay its way; and if agriculture prospers, I believe that the rest of Canada will prosper as well, because, as I have pointed out on several occasions, when the west is prosperous, eastern Canada is prosperous also. I have on former occasions quoted figures in this house showing that in 1926, when wheat averaged $1.40 a bushel, western Canada purchased from eastern Canada approximately $82,000,000 worth of farm machinery. That was just one item alone. Then in 1932 and 1933 when wheat was away down in price, to the lowest price in three or four hundred years, the west's purchases of farm implements dropped to around $8,000,000, or only ten per cent of what we purchased in reasonably good times.

I think any sane, sound business man must take cognizance of facts such as these, and act accordingly.

The government, I believe, should continue to pay storage on the balance of the quota of wheat on the farm, as is being done at the present time. I also believe that the government should pay an advance on that part of the quota which the farmer holds on his farm because he cannot deliver it. The farmer must get a living anyway, and if the wheat is there to be delivered, the government would not be taking any great chances in making an advance.

The question of storage was brought up by the hon. member for Portage la Prairie. If we allow something like ten per cent for working space, the elevators have a storage capacity of 582 million bushels, and paying eight cents a bushel on their full capacity means that somebody will have to pay $46,560,000 a year for storage. As we are now in a war period, I think the people of Canada should pay this charge rather than that the farmers themselves should be made to stand this expense.

Agriculture is pretty well wrecked now. If this is allowed to go on, complete wrecking of the industry will be the result. I do not think Canada can afford to have agriculture in any worse plight than it is at the present time. Do not forget that there are war debts to pay, and that all taxes are paid either directly or indirectly by the agricultural industry.

In addition, I believe the government should continue where it left off, with international cooperation with the wheat producing countries. This has been advocated for the past three or four years by the hon. member for Acadia (Mr. Quelch), myself and others.

I should also like to see the grain exchange closed. We have been told that it is being kept open at the request of the cereals board in England. That argument does not appear to me to have any force, because seemingly the British government has closed the exchanges over there since the war started, and if that course is good for England, why is it not good for Canada? Perhaps we are yet capable of being skinned a little more. That skinning should cease, and cease right away.

In conclusion, may I allude to that old theme, Canadian unity. We have heard the Prime Minister (Mr. Mackenzie King), several of the cabinet ministers and private members plead for national unity. We have been told by others that unity is impossible while one part is slave and the other part free. I suggest that it is about time to free a very large percentage of our people who have been and are slaves, and I make this plea to the government now, that they take into consideration this group's recommendations which I have just placed on record.

Mr. ROSS (Souris): Like the hon. member for Portage la Prairie (Mr. Leader), I am probably not so much concerned personally about the wheat problem because, as in his case, cattle has solved my problem. As a Canadian citizen, however, I am vitally concerned about this very important matter of wheat.

The Minister of Agriculture (Mr. Gardiner), speaking on the floor of this chamber on Wednesday, March 26, in reply to the hon. member for Haldimand (Mr. Senn), attempted to place the blame on the opposition in this house for the fact that we have not had an opportunity to discuss agriculture, and all its difficulties, at a much earlier date. He stated that when he first attempted to bring in his estimates, on February 27, I asked him to make a statement. I did ask him at half-past ten on that evening, as he stated, if he would make a statement in order to give some lead to the agricultural producers of the country as to what might be expected of them, in the matter of agricultural production, to assist in the war effort during this coming year; and I suggest that that request was very much in order. Then, on March 5, the hon. member for Haldimand rose to introduce an amendment to the motion to go into supply. He was not allowed to complete his speech until March 26. During the interval, on March 12, the Minister of Agriculture announced this acreage bonus scheme which we are now discussing.

May I say that, as a result of my experience as a member for three or four years of the advisory committee under the Prairie Farm Rehabilitation Act, I, speaking on November 14 last in this chamber, advocated a scheme somewhat similar in principle to this one, but on a much broader basis. I am convinced that something must be done to reduce the wheat acreage of this country, but, like other speakers, I also am convinced that the producers, on the quota which they are allowed to deliver, must receive somewhere near a parity price for what they are allowed to deliver. I spoke several times last year and, I think, proved conclusively that the parity price at that time was approximately $1.25 a bushel, Fort William—certainly a great contrast to this allowance of 70 cents.

I am opposed to handling this matter in the manner proposed by the government. I was disappointed that the minister did not introduce a bill covering these regulations or the operation of this scheme. Such dictatorial

powers as are involved in a matter of this kind should not be given to one individual by order in council.

May I also point out that, notwithstanding the difficult plight of agriculture from coast to coast, the agriculture committee of this house has not met once during the last two sessions of parliament. It is hard to understand why that committee has not been called together to discuss the serious condition of agriculture, about which the government professes to be so much concerned.

Under the Prairie Farm Assistance Act the Minister of Agriculture is almost a dictator, but only farmers producing under twelve bushels an acre have come under his rule. Under this new scheme all the farmers of the prairie provinces will come under his dictate. I am certainly of opinion that this authority should not be given one who enjoys the reputation of a great partisan administrator. As some evidence of what may happen, let me quote from the report of the auditor general for the period ended March 31, 1940. Referring to the Prairie Farm Rehabilitation Act, he states on page 61—to cite just one case—

> Commitments of approximately $1,315,575.20 were incurred in excess of the amount appropriated without certificates of the comptroller of the treasury being secured in the manner provided for by sections 26 and 29 of the Consolidated Revenue and Audit Act, 1931. These overcommitments, by group classifications, are made up of: land utilization, $22,036.47; water development, small projects, $909,553.00, large projects $384,185.73.
>
> By an amendment to the Prairie Farm Rehabilitation Act (chap. 7 assented to 5th April, 1939), the minister may, subject to the approval of the governor in council, enter into agreements with provinces, cities, towns, persons, etc., for projects or schemes for the conservation of water. Payments during the year were made in several cases on ministerial authority only. . . .

The report goes on to quote examples. I would point out that this was taking place during the latter part of 1939—not so many months prior to the general election of March, 1940.

Turning to page 66, we find, with reference to the Prairie Farm Assistance Act:

> Regulations made under the act and approved by order in council dated November 23, 1939 (P.C. 3820) provided for the establishment of a committee of review, the duties of the committee to be to examine data, to review yield categories, to consider applications open to question and to report its findings to the Minister of Agriculture. Under the statute before it was amended in 1940, the determining of the acreage yield, which formed the basis of acreage awards, rested with the Minister of Agriculture and the law officers expressed their opinion that the non-concurrence of the committee did not preclude the minister from awarding assistance. Several awards were made by the minister covering yields not accepted by the committee. Farmers were not required to make applications for assistance. While section 5 of the act gives the power to make regulations to require farmers to furnish information and section 11 makes it an offence if any person falsely claims assistance, the farmers filed only acreage reports and the value of the certification to these reports was often negatived by changes unsigned by the farmers.

There are many other similar references on these pages, all illustrating the great extent of the authority which is vested in one minister under regulations brought in as these have been. I am very much of the opinion that there should be a minimum clause in these regulations in order to protect the small producers. It was pointed out by one of the previous speakers that the average number of acres of wheat produced by the farmers is fifty. Throughout a large part of Manitoba a minimum of eighty acres would not be too much for the farmers, and I do not think any farmer should be compelled to reduce below that acreage. There should also be some restrictions on the large farmers with an opportunity to cash in on this scheme. Moreover, when this scheme was being considered by the government, the Minister of Agriculture, I believe, invited the provincial departments of agriculture and municipal officials to Ottawa. They were amazed to read on the train, coming to Ottawa, the announcement of the policy before they had been consulted.

The three provincial governments have taken the stand that the initial payment on wheat should be at least 85 cents. The western union of municipalities, after due consideration, recommended that the payment should be 95 cents a bushel on this quota basis, and I believe the quota they advocated was approximately that which has been arrived at.

The Sirois commission in their report point out that from 1896 to 1913, under a vigorous immigration policy carried out by the government of that day, assisted by the railways and the real estate companies, a vast expansion took place in western Canada, and land ranging from 10,000,000 acres to 70,000,000 acres was settled, with the result that wheat acreage expanded accordingly. The officials under the Prairie Farm Rehabilitation Act contend that there has been conducted throughout a considerable part of that area a soils survey by the soils experts of the three provincial governments, and they suggest that 6,000,000 acres of land should be taken out of grain production. Some headway has been made in this direction. A large part of that land lies within the boundaries of Saskatchewan. The statement is often made that, from patriotic

motives, this great expansion in wheat production took place during the last war. On going over some of the records, I find that wheat acreage in 1914 in the prairie provinces was 9,335,400 acres. In 1918, at the conclusion of the war, it was 16,125,451 acres. In 1939 it was 25,813,000 acres, and in the last year, 1940, it was 27,750,000 acres. Therefore, by far the greatest expansion has taken place since the last war.

In the last two years, when international prices were tumbling because of oversupply, Canada has increased acreage by 11½ per cent, while the rest of the world has been reducing acreage by 10 per cent. We must, therefore, face, in some manner, the issue of wheat production. More than that, while the peoples of the world procured their wheat requirements from an average of seventeen acres out of every 100 cultivated acres, we in Canada have been attempting to produce wheat on every sixty out of 100 cultivated acres in the prairies. That should convince us that we ought to cease burying our heads in the sand and face the situation.

Whether we like it or not, the economy of western Canada is facing a radical change at this time, and we must give some thought to what lies ahead of us in this regard. In the four-year period from 1925 to 1928 inclusive, we produced in the prairies 1,745,000,000 bushels of wheat. At that time the index purchasing power was 96 compared with 100 in 1913. In the recent period, from 1937 to 1940, we produced 1,511,000,000 bushels, and the index purchasing power was 50·2. In other words, in the previous four years, 1925 to 1928, we produced a quantity in excess of this year's quota requirements, and the price was still considerably more than the index is now at this particular time. Moreover, in 1928 Canada was supplying 40 per cent of the world's exports of wheat, according to the Sirois report, book I, page 144. Therefore, at that time, before people were preparing for the war—and they have been doing it for the past ten years—this unusually large surplus threatened a slump in the prices. Germany, Italy and France began to erect tariffs of $1.62, $1.07 and $1.85 a bushel respectively, which added to our difficulties during that time.

The hon. member for Portage la Prairie suggested that the chap who operated the tractor was more responsible for our difficulties than anyone else to-day, and there is some truth in that statement. I would point out, however, the great transformation that has taken place in agricultural production in

[Mr. Fair.]

recent years. Mechanization has affected that production to a considerable extent. The following extract is illuminating:

> It is stated on good authority that in 1830, unaided by machinery, it required about 57 hours of man labour to grow and harvest an acre of wheat yielding 20 bushels. The introduction and use of machinery brought the hours of labour required to grow an acre of wheat down to 3·3 in 1930.

It has been accelerated since then.

> Having once made the change from horses to tractors, land formerly used for forage, pasture and coarse grains is converted to wheat production to obtain a larger cash crop, and one which can best be depended upon where rainfall is scarce.

I quote still further:

> Notwithstanding criticism to the contrary agriculture has kept pace with industry so far as efficiency is concerned. In the United States between 1910 and 1930, output per worker increased 39 per cent in manufacturing and 41 per cent in agriculture. A long-range contrast shows that 150 years ago it took 19 persons living on farms to produce enough for themselves and for one person in town. To-day 19 persons on farms can produce enough for themselves and for 66 living in towns. That condition is undoubtedly comparable with the situation which obtains in this country as well.

People have been forced into mass production by machinery owing to the necessity of having to reduce cost of production. According to the *Canadian Cooperative Farm Implements Journal*, a binder in 1913 sold at Regina for $167, and it took 261 bushels of wheat to pay for it. In 1936 the same binder sold for $281, and required 319 bushels to pay for it. In 1940 it sold for $340 and required 637 bushels to pay for it. That is conclusive proof of the position into which producers have been forced, to some extent perhaps against their better judgment.

Since the outbreak of war, labour in this country has been placed in a highly protected position. Those in industry are protected by the government of the day, but agriculture is left to look after itself. The farmers would be content with the prices that prevailed before the great depression. They would be more than content; they would be delighted if returns from farming were on the basis of 1929. This government has seen fit to place labour on the basis of the wages prevailing from 1926 to 1929, plus any increase which may be brought about during this war effort. The yearly average of agricultural prices on this basis, taking Winnipeg as the index, would be as follows:

Wheat	$ 1.20
Hogs, live weight	11.00
Cattle, best killing	9.20
Butter fat	.40

I would point out that cattle is the only agricultural product to-day on anything like equality with the prices prevailing before 1930. If we take the index of all farm products for the period from 1926 to 1929 as 100, the figure for 1940 would be 69. Costs are down, but not to anything like the same extent, and those costs have increased considerably since the beginning of the war. The exchange situation alone has automatically increased the price on important machinery such as tractors.

The situation, then, is that labour is in a sheltered position; industry is booming; finance is thriving because industry is active, but agriculture is left to look after itself. According to the Searle index, labour in 1939 received wages 91 per cent higher than those of 1913-14. Further than that, we have the statement of the Minister of Munitions and Supply (Mr. Howe) on Februray 25, that some $307,000,000 has been supplied by the government to industry in this country by way of capital assistance. Of that total, approximately $10,000,000 went to British Columbia; $16,000,000 to the three prairie provinces, and by far the greater part of the remainder to Ontario and Quebec.

I had the privilege of visiting the city of Hamilton not long ago. I was amazed at the work being carried on there, but I was later surprised to learn that that city, with a population of approximately 160,000, had received something like $26,000,000 by way of capital assistance to industry. Why, even the city of Niagara Falls, which is not very large, received $14,000,000 for this purpose. So, Mr. Chairman, you see how all this money which has been put into circulation by the government has intensified the difficulties of agriculture at the present time. It was pointed out by the hon. member for Haldimand that even before the outbreak of this war, agriculture, which includes approximately one-third of the population of this nation, received only about one-twelfth of the national income, and this great disparity has been increased since the war.

I believe farming should be considered, first, as a way of life and, second, as a business; that is, the farmer should be encouraged in every way to produce a livelihood for himself and his family. In this regard I should like to make some reference to the processing tax. Last year this matter was discussed; and, if I remember correctly, the Minister of Agriculture expressed the opinion that the producer who took his own grist to the mill should not have to pay this tax. On September 3, however, 1940, order in council P.C. 4387 was passed setting up the regulations governing the payment of this processing tax and, after some protest by producers throughout the country, on February 1, 1941, order in council P.C. 134/813 was passed, rebating this tax to the producers of Quebec, New Brunswick, Nova Scotia and Prince Edward Island.

In Manitoba, from which I come, we have forty-three flour mills, two of them located in my own constituency. The secretary of the provincial millers' association is also one of my constituents. I communicated with the various millers through the province in order to ascertain what they had collected from the producers and turned over to the government during the first six months of the operation of this tax; and after having received that information, I am satisfied that, if this policy is continued, these local grist mills will be forced out of business, which will be an added hardship on those farmers who normally have their gristing done in this way. I have here the information from fifteen of these mills as to the amount collected by them from July 20, 1940, to February 1, 1941, as follows:

Turtle Mountain Milling Company—Deloraine	$ 3,200 00
Steinbach Flour Mills—Steinbach	4,333 70
A. W. Snider—Wawanesa	1,012 20
Treherne Flour Mills—Treherne	585 22
Holland Flour Mills—Holland	459 40
Morden Milling Company—Morden	1,527 15
Somerset Flour Mills—Somerset / B. P. Kent Milling Company—Virden	6,000 00
Harrison Milling and Grain Company—Holmfield	1,200 00
Winkler Milling Company—Winkler	1,700 00
Morris Milling Company—Morris	5,331 55
Gardenton Flour Mills—Gardenton	3,318 00
Roblin Flour Mills—Roblin	889 65
Hamiota Flour Mills—Hamiota	4,445 54
Pine River Milling Company—Pine River	1,452 45
Total	$35,454 86

Average per mill tax paid on gristing, July 20, 1940, to January 31, 1941, $2,363.

I do not know why there should be this discrimination as between these four eastern provinces and the rest of the country; and I think some consideration should be shown those producers who wish to have their own gristing done. They should not be taxed for having their own flour produced for their own consumption.

I am convinced that somebody must endeavour to create a plan for agriculture in this country from coast to coast. During the early years in western Canada, such a plan was not needed, but to-day the situation has entirely changed. On those prairies we have some three million people, many of whom were born and raised there and who desire to

continue living there. We have many scientists of one kind and another, experts in agriculture, and I believe the government should get these people together and evolve some policy to assist in that new economy which is coming to this country whether we like it or not. The other day it was pointed out by one hon. member that seldom was a war lost by a country having a surplus of foodstuffs on hand. We are fortunate in having the great surplus that at present exists in this country. I should like to quote what was said by Mr. Winston Churchill, Prime Minister of England, on August 20, 1940:

Wheat for Victory

We shall do our best to encourage the building up of reserves of food all over the world so that there will always be held before the eyes of the people of Europe, including—I say it deliberately—the German and Austrian peoples, the certainty that the shattering of nazi power will bring to them all immediate food, freedom and peace.

Mr. David Lloyd George, speaking quite recently, has made statements along similar lines. It is interesting to note that when Canadian farmers are endeavouring to better their conditions, one of their spokesmen in Great Britain, no less a personage than Mr. David Lloyd George had this to say, speaking as one farmer to others at a meeting held recently in Carnarvonshire:

We must see that the farmer gets a reasonable return; it is no use thinking you can compel him to cultivate his land to the utmost, you can't; you must make it worth his while, you must bring him along as a willing helper.

That is essential, for the security of the nation, according to Mr. Lloyd George. Furthermore, as proof of the fact that in Great Britain they consider agricultural products as munitions of war, I believe the British Minister of Agriculture puts in requisitions to the government of Great Britain, which are forwarded to the Minister of Munitions and Supply at Ottawa, for all agricultural implements required from Canada to be delivered in the old land. That is significant proof of the fact that they consider agricultural production as being in the same category as all other munitions of war.

I am much of the opinion that in these times, in connection with storage on grain surpluses, we are paying altogether too much to the grain trade. On February 19, order in council P.C. 1125 was passed permitting the grain trade to erect storage facilities at the head of the lakes for an additional 50,000,000 bushels of wheat. In that order in council they guarantee a certain period of storage, and also point out that the cost of construction may be written off in a period of two years. There is an additional provision whereby they may deduct 50 per cent a year in the filing of income tax returns.

May I remind the committee that when a farmer wishes to erect facilities for grain storage on his own farm, he must, when filing his income tax returns, spread the cost of that construction over twenty years. He is allowed a deduction of only 5 per cent, whereas by this government the grain trade is allowed 50 per cent. Certainly that is not very much encouragement for the producer to erect his own storage on his own farm.

Concerning what the grain trade has cost us in the handling of grain, I would quote from a speech delivered by the hon. member for Wood Mountain (Mr. Donnelly) at the last session. His speech is recorded in *Hansard* of July 25, at page 1960, as follows:

I should like to say a word with regard to the handling charges on wheat. These charges, to me, particularly this year, are absolutely ridiculous. I believe the handling charges during the past year were far too high. They may be all right with wheat at $1.50 a bushel; they may be all right in ordinary years, when our elevators may be only partly full for a few months and almost empty for the rest of the year. But in a year like last year, when they were three-quarters full all year, and next year, when they will be full all year, these charges are absolutely ridiculous. Let me give the committee an example of what I mean. We are told that the amount paid by the board to the elevators for storage alone was something like $14,612,000. That was on 318,000,000 bushels of wheat. There was an additional 100,000,000 bushels or so not handled by the board, so the total amount paid for storage alone by the grain trade and by the board must have been well over $16,000,000. But there is something else in addition. The other day the statement was made that only one-third of the income of the elevators came from storage, the other two-thirds coming from other, additional charges. So there must have been another $32,000,000 received from other sources, making in all something like $50,000,000 paid for handling our wheat last year. If anyone tells me that is a reasonable amount to pay for the storage and handling of our wheat in one year, all I say is that he does not know the condition of our farmers. We sold something like 400,000,000 bushels, for which we received approximately 50 cents a bushel, or in round figures about $200,000,000. But we paid $50,000,000 or one-quarter of the selling price, just for the handling of that wheat.

Then, at page 1961 he is reported as follows:

All the act says is that the board of grain commissioners shall fix the maximum rates that may be charged for the handling, cleaning and storage of grain. If that board does not cut this price to the bone—I say it should be cut in two—then we should amend the Canada Grain Act in that respect, because I do not consider these prices either reasonable or right. I say that the cost of handling our wheat was $50,000,000, not only on the authority of the statements I have mentioned but because of other statements I have heard to the effect that the

grain people received in the neighbourhood of 13 or 14 cents a bushel on all the wheat they handled. I can give the committee those figures if necessary, because I know what they are.

Mr. Crerar: Does that include freight?

Mr. Donnelly: No, that does not include freight at all. That is something else which the farmer has to pay. This is just for elevation, storage, cleaning, loading into cars, service charges, diversion charges and matters of that kind.

That is, I think, proof enough for this committee that the grain trade have been well looked after by the government of the day. I well remember looking over the contract the grain trade received the year prior to this from the wheat committee. In that contract the trade was allowed storage from the time the wheat was dumped in the pit, irrespective of the fact that the farmer is entitled to two weeks' free storage, and usually for some thirteen days while it is in freight cars en route to terminals. Irrespective of these facts, that contract allowed the grain trade storage for those two weeks, and allowed storage while the grain was in freight cars in transit to terminals. That is something which I do not think can be justified under present conditions.

Mr. WOOD: With regard to the cost of storing wheat in elevators in western Canada, is it a fact that the major portion of the holdings is held by United Grain Growers and pool elevators? Is it not also a fact that the great majority of the stockholders of those two companies are farmers, and that the $66,000,000 paid for storage, or a large portion of it, would go back to the farmers who are the shareholders in those companies?

Mr. ROSS (Souris): Not to my knowledge. I have not the figures before me to answer that question properly. However, it is not so, to my knowledge.

Mr. WOOD: That is a pertinent question, when the hon. member is speaking about farmers' incomes.

Mr. ROSS (Souris): My time is almost up, and I should like to finish what I have to say.

Mr. WOOD: Perhaps the committee would give the hon. member extra time.

Mr. ROSS (Souris): I have not the figures before me. I will say, however, that I am opposed to the deal which has been given the grain trade, although I have not time to go into it in detail at the moment.

As I said earlier, I am firmly convinced that if we are to deliver this wheat on a quota basis, then we should be guaranteed somewhere near the parity price which, it has been admitted elsewhere by many people, is approximately $1.25, basis Fort William. The provincial governments, the municipal unions, the pools—all organizations on the prairies connected with the welfare of the farmer are practically in unison that the farmer should have what would be the equivalent of at least 95 cents a bushel. As I said, they asked that the initial payment be at least 85 cents a bushel, other amounts being taken into consideration to reimburse them as time went on.

I have said I am firmly convinced that what is needed more than anything else in Canada is a great national agricultural policy. We have anything but that at the present time. Throughout Canada we have a great economic disunity. I hate to think of what might happen in the country were it not for the fact that Canadians are determined to win this war, irrespective of whether or not they are given leadership. That is one factor which is saving the great economic difficulty in our midst at this particular time. There is no doubt in my mind as to that fact.

The Sirois commission report makes fine reference to agricultural conditions in Canada. I was very disappointed that more did not come out of that conference which was held on January 14 and 15. There has never been a greater lack of leadership displayed in the history of Canada than was displayed at that conference by the Prime Minister. Much good would have come out of that conference if the federal and provincial authorities had sat round this table and discussed the economic situation. I think we might, after further consideration, give an advanced price to the producers of this country on the quota which they will be forced to deliver this year.

Mr. ROWE: It is not my intention to keep the committee at any great length at this time; in fact, from the appearance of the committee it would appear that it is not its desire that I should. I wish, however, to conclude what I was saying the other evening. Since receiving the regulations which were brought down by the Minister of Agriculture (Mr. Gardiner), I feel more alarmed than ever over this new fantastic type of policy which is being enunciated in this proposed vote. I realize, as does every hon. member, that for some years the wheat problem has been of grave concern to everyone interested in the welfare of this dominion. It has interested those of the banking profession; it has certainly interested those of the bond and mortgage houses, and it has interested those who are dependent upon the wheat fields. On the other hand, there are those in the country who believe that bonuses and subsidies are vicious in principle and should never be applied to agriculture.

I feel that we have long since adopted the principle of bonuses and subsidies in our

present organized society from coast to coast. As a supporter of the party that sits to your left, Mr. Chairman, while I have been interested chiefly in agriculture, I have also been strongly in favour of a reasonable protective policy in order that industry may develop and thus increase our home markets. There are those who still cling to old free trade ideas, but this is not evidenced so much by the party that sits to your right. It may be said that by our support of a protective policy we have given bonuses and subsidies to industry. I have heard this argument advanced in the house on many occasions.

At times there has been great difficulty in connection with our iron and steel industry, and bonuses have been paid. A much greater percentage of bonus is paid to the iron and steel industry. We have given bonuses or subsidies, whatever you may wish to call them, to the coal industry.

Mr. HANSON (York-Sunbury): Subventions.

Mr. ROWE: The leader of the opposition says that "subvention" is a more modest term. This principle has been long since established. The labouring man who carries a dinner-pail to his work is given something in the way of security. While we may not call this a subsidy or a subvention, he is given the assurance that he will have to work only so many hours for which he will receive so much money. We recognize the principle of collective bargaining so that his labour may not be exploited for the advantage of those who hold stock.

Mr. GOLDING: What assurance has he of a job?

Mr. ROWE: His union will be ready to tell you whether or not you can fire him. I am merely referring to the principle, and I doubt if even my hon. friend will disagree when I say that is the situation at the present time. I have referred to the protective policies in connection with industry. Such a policy was encouraged by the party that sits to your left, Mr. Chairman, and it has been followed by the party that sits to your right. Labour is given this security; but when this principle is applied to agriculture, there are many people in the country who hold up their hands in holy horror and say that it is unsound and vicious and should not be applied.

Why? Evidently the farmer is not organized sufficiently to carry out collective bargaining. The payment of bonuses and subsidies to agriculture under depressed conditions is just as justifiable as the payment of any other bonus or subsidy. It may be that we have too many of these artificial supports for industry; it may be that wages paid to labour are too high, but the fact is that this is the present trend of society. It is the result of the effort on the part of all governments to equalize the conditions of all classes of our people. I do not wish to repeat what I said the other night, but I have been in favour of the payment of bonuses and subsidies when agriculture is depressed. Hon. members on the other side will recall that I was among the first, if not the first, to propose the payment of bonuses to agriculture some years ago. I urged that on different occasions on the government of the day, of which I was a supporter.

At that time I proposed bonuses for cheese, for bacon, for beef and for poultry products. This was at a time when the price of sterling meant that we were receiving low prices for our bacon, cheese and other products. Our farmers could not meet their obligations, and I made the suggestion I did at that time. It would have been a sound policy to follow, much sounder than the fantastic type of policy being presented to this committee. I suggested that, in addition to a grain commission, there be set up a live stock commission. I suggested also the establishment of an export marketing board to consider the securing of overseas markets and to supervise the inspection of grades in order to make sure that producers of live stock products were not exporting a poor class of product to the market upon which they were dependent and thus automatically forcing down the price.

I think it would be a sound policy to pay a bonus only for high grade products. This bonus could be secured from the producer, and when the price rose to a certain point it would be eliminated automatically. Such a policy would have some tinge of soundness, some tinge of permanency and some tinge of economic advantage for this country. As the hon. member for Souris (Mr. Ross) has said, for a long time this country has been pleading for a national agricultural policy. I think we have tended too much toward being wheat-minded, and I say that with all respect for those who are struggling with the desperate problem of a surplus which is costing this country millions of dollars a year to carry.

I have had some experience in the growing of wheat, but I have not been fortunate enough to grow it in a district where I was paid for growing it or paid for not growing it. Wheat has been an important part of the crop of old Ontario, but I suppose we shall just carry on as usual. This $35,000,000 is to be paid to people for not growing wheat, but there is no particular indication in this legislation that we shall not have a drought and that wheat will not go up again to $1 a bushel. I suggest that what we need in this country

is a policy which will encourage farmers to produce what they can sell, rather than to try to sell what they produce.

We know that this year the Department of Agriculture will spend from nine to ten millions in order to protect our animals from parasites, and to develop more scientific methods of production, in order to increase production and lower costs, all of which the industrialist might consider was a bonus. A great deal more can be done, and certainly the farmers of this country will have to learn to produce more cheaply. I think it will be generally agreed that farmers should be encouraged to produce other products than wheat. Take, as an example of what can be done, the development of soya beans by the Ford Motor Car company. The manufacture of alcohol and several other lines of production which have not so far been given much consideration might well be opened up. I know it might be said that it is no use mentioning other lines of activity in which the farmers might engage, because that still leaves the problem of the wheat crop. I realize that diversification would not be the whole solution; but undoubtedly we need more research, more expansion of production and more support for the diversification of agriculture so that we can produce the things we can sell, rather than trying to sell what we produce.

In connection with these proposals of the government, we find members who have formerly criticized any form of bonus or subsidy as the most vicious form of policy, actually supporting a policy which does not subsidize or bonus the farmers to do something but bonuses them to do nothing, and that at a time when the nation is pleading for an all-out war effort, at a time when there will very soon be a shortage of labour. At this very time we are inaugurating a policy embodying a vicious principle similar to the dole, giving people something for nothing. I feel that in this policy we have the greatest political gunshot prescription for agriculture that I have ever seen brought before the house. When one thinks for a moment of what the Minister of Agriculture can do with it—he smiles, and I would smile too if I could see any hope ahead for agriculture in these policies—

Mr. GARDINER: I see a lot of trouble ahead for me.

Mr. ROWE: The minister says he sees a lot of trouble ahead for him. I can see in the far distance—I do not like to state it in advance—

Mr. GARDINER: Say it.

Mr. ROWE: The minister says, "Say it." I can see plenty of possibilities for political corruption in it too, in western Canada.

Some hon. MEMBERS: Oh.

Mr. ROWE: Some hon. members say "oh". Here is the government bringing down its proposals for agriculture, and the hon. member for Portage la Prairie (Mr. Leader) says that he does not want to have anything to do with the baby. The hon. member for Wellington North (Mr. Blair) also said that he did not want to have anything to do with this baby. No wonder that, as I said the other evening, neither the Minister of Agriculture nor the Minister of Trade and Commerce (Mr. MacKinnon) was courageous enough to father this child alone, so they introduced it jointly. I do not know which of the two might best be called its father, but it looks to me more like the Minister of Agriculture.

Mr. LAPOINTE (Quebec East): Does the hon. member want to adopt it?

Mr. ROWE: No, I would not want to adopt it, because I think it will prove the most difficult child that has ever been raised by this house.

An hon. MEMBER: You would bring it up a Tory.

Mr. ROWE: No, there is nothing Tory about it. It is a wild political idea framed to get votes in western Canada and to strengthen the machine that has been built up in Saskatchewan. It is useless so far as being any solution of the wheat problem is concerned. I am not surprised that it has been said that this is more of a ministerial child than a party child, and I am not surprised that it was more or less introduced to the public before being introduced to parliament. The minister shakes his head, but his henchmen in western Canada had certificates printed—

Mr. GARDINER: The certificates are not printed yet.

Mr. PERLEY: The applications then.

Mr. GARDINER: The applications are not printed yet.

Mr. ROWE: The western papers, the Regina *Leader Post*—I do not have it here, but no doubt the minister has seen it—says that the machinery is all set up.

Mr. GARDINER: There is not even one of the forms drafted yet, let alone printed.

Mr. HANSON (York-Sunbury): The secretaries of the municipalities said that the scheme was all arranged.

Mr. GARDINER: They said that they were going to carry out the plan. What I have stated is the absolute fact, that not one of the forms is even drafted yet, let alone printed.

Mr. ROWE: I am glad that parliament has had something to do with the matter, because, after all, parliament is in session.

Mr. GARDINER: That is absolutely right, and parliament has something to do with it.

Mr. ROWE: Certainly I am right. That child is going to be handled like other children have been handled in the past. The hon. member for Souris has told the committee what happened in connection with some of the other expenditures. I notice by page 66 of the auditor general's report that, under the old assistance act, several awards were made by the minister as to yields which were not accepted by the committee.

Mr. GARDINER: I should like to add that thousands of them were made before the committee was even set up.

Mr. ROWE: I would expect that, and thousands were made just before the election in 1940.

Mr. GARDINER: They were made before the election was even heard of.

Mr. DONNELLY: Someone has to make the decision.

Mr. ROWE: I am not taking the word of the Minister of Agriculture; I take his word, of course, in a general sense, but I am not taking his word as to the soundness of the awards.

Mr. LAPOINTE (Quebec East): What an evil mind for a nice fellow!

Mr. ROWE: I thank the Minister of Justice for his compliment of even assuming that I am a nice fellow, but, after all the evils I have seen—

Mr. GARDINER: If I might be permitted, for I am sure my hon. friend does not want to be unfair, I should like to point out that everything stated either in the auditor general's report or in the discussion this afternoon was provided for by legislation. I understand that my hon. friend's objection is that something is not being done by legislation, but everything referred to there was done by legislation.

Mr. ROWE: The letter killeth and the spirit giveth life. We were told that awards were to be made on acreages that would be assented to here. We know there were regulations. I am not suggesting that the minister has done something that he did not have power to do. As a matter of fact, he gets power to do almost anything he likes with this type of farm expenditure. But I ask, what is the use of setting up a committee if you are not going to take its recommendations? Does the minister mean to tell this committee that he knows better than a committee on the ground what Tom Jones is producing in a garden that always grew potatoes?

Mr. GARDINER: Under the act as it was at that time, no committee was provided for. I set up the committee myself by virtue of having power to make regulations.

Mr. ROWE: Surely the minister does not think the committee is so dumb as not to understand that. Let me quote from page 66 of the auditor general's report. It reads:

> Regulations made under the act and approved by order in council dated November 23, 1939 (P.C. 3820) provided for the establishment of a committee of review, the duties of the committee to be to examine data, to review yield categories, to consider applications open to question and to report its findings to the Minister of Agriculture. . . . Several awards were made by the minister covering yields not accepted by the committee.

Mr. GARDINER: On a point of order, Mr. Chairman, my hon. friend a few moments ago threw out the insinuation that there had been some corruption in connection with this act. As I understand parliamentary procedure, any member who makes a charge of corruption in connection with anything having to do with the administration of a department places his seat at the disposal of the house.

Mr. ROWE: Mr. Chairman, on a point of order—

Mr. GARDINER: I should like to suggest to my hon. friend that if he is prepared to do the only thing which is called for under the circumstances, we can settle the question whether there is any such corruption.

Mr. ROWE: That is pretty cheap. On a point of order, let me state to the Minister of Agriculture that if we were to stake our seats upon the mercy of the public at the present time, I would take my chances with his popularity in the country at this time.

Mr. GARDINER: On a point of order—

Mr. ROWE: No, Mr. Chairman, I am speaking on a point of order.

Mr. GARDINER: —I ask the hon. gentleman to withdraw the word "corruption."

Mr. ROWE: Speaking on the point of order, I did not use the word "corruption."

Mr. GARDINER: The word "corruption" is not parliamentary, and I ask the hon. gentleman, if he does not want to make a charge, to withdraw the expression.

Mr. ROWE: I do not withdraw a statement I did not make. If you, Mr. Chairman, in your good judgment consider that by my saying I can visualize in the far distant future the possibilities of political corruption, that is a charge of corruption, I withdraw it. But I made no representation in this particular instance that there is any political corruption reported in the auditor general's report. I leave it to the committee if I did not say this,—I do not think he wants to do me an injustice, and I believe he misunderstood me—

Mr. GARDINER: I did not misunderstand the hon. member, and I wish to state the point of order again. My hon. friend referred to these particular regulations, and inferred that they made provision for corruption.

Mr. HANSON (York-Sunbury): No, no.

Mr. GARDINER: Then he proceeded to read this report to prove that such things had been done before.

Mr. HANSON (York-Sunbury): What the hon. member said was that, in the vote now before the committee, he could visualize political corruption in the future. That is what he said.

Mr. GARDINER: And then he immediately proceeded to illustrate it by what he is going to read from this particular report.

Mr. HANSON (York-Sunbury): He is referring to another topic altogether.

Mr. GARDINER: So long as my hon. friend agrees that he is not trying to prove any such thing, that is quite satisfactory to me.

Mr. HANSON (York-Sunbury): All right.

Mr. LAPOINTE (Quebec East): All right.

Mr. ROWE: I notice that the Minister of Justice says, "All right." I know he heard it the right way. I do not want to charge the minister with being hard of hearing; but with being too keen. It has not been my practice to charge corruption across the floor of the house, and I had no thought of charging corruption as such.

I wish to say that, in reading this further, I found that farmers were not required to make applications for assistance at all. I quote:

> While section 5 of the act gives the power to make regulations to require farmers to furnish information and section 11 makes it an offence if any person falsely claims assistance, the farmers filed only acreage reports and the value of the certification to these reports was often negatived by changes unsigned by the farmers.
>
> Under the act, farmers are paid awards when their yields are in excess of 12 bushels to the acre. . . .

That has been mentioned.

> Awards have been made on summer-fallow acreage where in many cases the summer-fallow exceeds the seeded acreage. A limited test audit showed that of the total cultivated acreage approximately 35 per cent was in summer-fallow. In this respect, the levy on grain sold has no relationship to the award.

I merely wish to say, Mr. Chairman, that this was not the impression which was left in this house at the time the bill was passed.

> That is to say, the levy is collected on grain harvested from 65 per cent of the acreage while the award is based on 100 per cent.
>
> Awards have been made on the basis of wheat yields in districts where wheat represented but a small percentage of seeded acreage. In one town in Manitoba awards were paid on 113 cultivated acres, of which 25 acres were seeded to wheat. The act provides for regulations covering this feature, but no regulations have been made.
>
> Payments have been made in many cases where the cultivated acreage was too small to put persons in the category of farmers. These cases ranged from 25 acres to 2 acres.
>
> Payments have been made to persons who, in no sense, were grain farmers, i.e., persons who owned small plots and eked out a living by selling milk, cutting wood, et cetera.

And they got the bonus.

An hon. MEMBER: The preachers could get the bonus.

Mr. ROWE: My hon. friend says that the preachers could get the bonus. I should be glad to see some of them get the bonus if it is to be passed all round.

> Farmers have received awards on dry land acreage while they may have garnered crops from irrigated lands so long as the latter did not exceed 300 acres.
>
> Awards may be paid where hail is the cause of the low yield and consequently hail insurance is also payable.
>
> Awards have been made covering land for which rent is paid from the Prairie Farm Rehabilitation Act vote. Under this arrangement the farmer is paid $5 an acre for land to be put in small plots and $1 an acre for other land.

I remember that when that was up in the house I assumed it was for strip farming, to avoid drifting. This farmer was to be paid $5 an acre in those cases, and $1 an acre for the larger areas. I remember that being discussed in this chamber. What do we find is happening under these regulations?

> The farm is supervised by the department and the farmer retains his crop.

That, I assume, was under the regulations, and is quite justified. But in one case, $640 was paid under this arrangement for a section of land rented by the government, and the farmer was paid $500 because he did not grow any crop.

I point out these instances merely to indicate what can happen under this prescription which is now employed to cure the ills of the wheat farmers. Am I in order when I say that I can visualize the possibility of the greatest political racket which has ever been carried on in any part of Canada? Every other man is to be an inspector, with a long list of regulations. When we did have regulations, the minister had the power, he said, to do what he liked with them. When we had a committee to find out who was entitled to collect, he still had the power to pay, whether the man was a potato farmer, whether he sawed wood, whether he grew wheat, whether he got rent from the government, or whether he got hail insurance.

Thirty-five million dollars is a great deal of money, and we have no assurance that that is all; for this is the lowest possible estimate in order to put it through this house. It may go to seventy million dollars. The Lord only knows where it will go to. Somebody said that it should go to a hundred million dollars. Yes, probably you get so accustomed to taking it, you feel you had better keep it. I submit, however, that this kind of thing is no solution. It is a retrograde, defeatist type of policy. The kind of bonus that I suggest to my hon. friend is a bonus for the production of the highest class of products rather than a bonus for reduction and no production of anything, by summer-fallowing at $4 an acre. We find that summer-fallowing means the cultivation of fallow land before August 1, 1941, in such a way as to conserve soil moisture and prevent soil drifting. Is there an hon. member in this chamber who would rent a farm on a lease drawn up as loosely as that? What is to constitute a summer-fallow? Any one who has farmed knows what a summer-fallow is.

Mr. GARDINER: What is it? Just what is it?

Mr. ROWE: I am not going to take the time of the committee in defining it, although I know what one is, probably better than the Minister of Agriculture, and have summer-fallowed just as much land as he has. I wish to say, however, that this leaves an opening for a man to run over a large tract of land with a wide spring-tooth cultivator, hitting it here and there, so that from over yonder you can call it "all black and $4 an acre."

It is not a question of assistance to western Canada. It is not a case of a policy dividing east and west. It is not a question of doing something for those who, I know, require help. I do know, I think, the position of the farmers, at least throughout my own district in Ontario, and I have some idea of what conditions must be in western Canada. I have seen hardships, and I submit that the farmers of Ontario are having their difficulties. I know of many people who have lowered their standards of living, many who have broken their health, many who have lived in a condition of privation such as they never before experienced until the last few years, and who are struggling with their backs to the wall to try to support the Red Cross, the war services drive, and doing their level best. I know women who are knitting provided they can get the yarns, and people who are humiliated because they cannot contribute to these worthy causes as they did in the past, on account of the fact that they are struggling, with their heads up, trying to solve their own problems.

Talk about national unity! This sort of thing divides us province from province across the dominion. We set up a vote and we loosely draw the regulations. It leaves it wide open to all sorts of manoeuvring and twisting, which the Minister of Agriculture would not do, but probably some of his friends or my friends might do if they had the opportunity.

Mr. TRIPP: Is the hon. member questioning the good faith of the western farmer?

Mr. ROWE: I cannot help it if the hon. gentleman does not understand my speech, but I can say that I have never questioned the good faith either of himself or of his supporters in western Canada, because, I too, am a farmer. Why should I question the good faith of farmers? I do, however, question the soundness of this as a farm policy, because it is ridiculous on the face of it. As the hon. member for Souris has pointed out, this is a time of war, and the Right Hon. Mr. Churchill is pleading to this country for ships and more ships. He is asking that every man should go to work. He is asking every working man and working woman in England to help. He is asking old men who have not worked for years, to bend their energies to the prosecution of the war. Even boys are engaged in putting out fires. He is pleading with the people of every part of the empire to produce and produce in enormous quantities so that when the post-war days come, we can point out to the nazis, the Italians and every other nation in the world that we, under a democratic system, have a bread-basket big enough to give a lunch to every man who is hungry.

What are we doing in the face of all that? We are bonusing our farmers to stop growing wheat, simply because it is difficult to get it across the seas. Well, Britain is eating

wheat; Europe would like to eat wheat, and Britain is eating wheat from foreign countries at this very time. The countries of Europe, Poland, Czechoslovakia, Belgium, Norway, Denmark, the Scandinavian countries, are all pleading for bread; and even under the Red Cross, with the help of the United States, they cannot get it. I ask, is it not a good time for us to prepare for a full bread-basket? Would it not be better to spend even $100,000,000 instead of $35,000,000, if it were necessary for the purpose, so as to keep these farmers going, to keep body and soul together, and to give them a reasonable price for their wheat?

As the hon. member for Weyburn (Mr. Douglas) well said the other night, this is not the policy that Joseph followed when he built storehouses. This is a short-sighted political policy, which has very little merit in it except to please some people in the industry by saying to them, "In a few years when people are short of bread and the children of Europe are in crying need of it, the farmers will be able to collect a big price." Our boys are flying over the English channel; many of them are risking their lives at this very moment, and as I said last year, this country might well give 100,000,000 bushels away and pay for it out of the treasury. I would as soon feed the children of Europe when the proper time comes, and vote in support of such a proposal, as I would vote for the shells that will win the war, because it is all in the larger scheme.

When we are voting $1,300,000,000, why stop at $35,000,000? You will not stop there anyhow. It is a paltry sum. For the sake of Britain, for the sake of our own country's future prestige, I appeal to the government and say to them, "Do not let it be said that we summer-fallowed while our boys were dying for their country. Do not let it be said that while the Prime Minister of Great Britain was pleading for huge supplies of foodstuffs, we actually paid our farmers to refrain from producing, paid them to do nothing, so that there might be a shortage of wheat in a few years and they might get higher prices."

When did a surplus of foodstuffs ever lose a war? Far from having a surplus, we will have a huge shortage; we will have an empty treasury in this country. We are wondering what we are going to do. We are going to tax our people to the limit; we are, perhaps, going to increase the income tax. We may increase other taxes and almost strangle industry. We are going to change the standard of living of the people, and on top of all that, before the war is over we may have to borrow a billion dollars from another country.

An hon. MEMBER: Where from?

Mr. ROWE: "Where from?" some one asks. I am not going to enter into that question now. The hon. member knows we can get it, because this country is rich, and it will not hurt our credit even if we do borrow a billion dollars so long as we have our granaries full. It will not hurt us to have our granaries full of unsold wheat; it will not hurt our credit to build storage facilities, but it will hurt us if we cease producing and face the possibility of an ensuing drought. In another country they killed pigs one year and paid exorbitant prices for them the following year, and the same with cattle. We have seen countries plough under cotton and burn coffee; we have seen them deliberately destroy foodstuffs, and this fantastic new policy is no different in principle from the ploughing under of wheat. I urge upon the government that, with a view to meeting post-war needs, they do not persist in this policy.

Who knows what the weather will be next year? Who knows but we may face the most terrible drought we have ever had in this country? We have in this bill a provision for paying $4 to summer-fallow, $2 for sowing oats and barley, and $2 for sowing grasses. Well, that is what the farmers should do anyhow. That is what we do in old Ontario, and if it is good for one province it ought to be good for another. We grow coarse grains in Ontario and produce live stock and live stock products in vast quantities, and what is sound for one part of the country ought to be sound for another. Under this bill a man can make twice as much for doing nothing as for doing something. After all, oats and barley are little different from wheat, regarded as feed. I have fed hogs and dairy cattle on wheat, and this grain may be classified as a feed product. I would as soon grow wheat for feed as barley. In Ontario they get sixty pounds to the bushel, and hogs will fatten on it. We can make animal fats. If the minister is anxious to help the farmers, then I assure him that the farmers in Quebec and Ontario would be very glad to feed a great deal more wheat. They could produce animal fats to take the place of vegetable oils that are now entering Canada. The treasury would make a great deal of money, and the farmers would collect $12,000,000 or $15,000,000 more. That would be something constructive.

We are told that we should not go to the United States except on business; that our wives and daughters should not go there. They are not going there to any great extent, but we are trying to encourage tourist traffic to Canada. Our United States friends are coming to this country, and they will be helping us in that regard. We are saving money, or we are trying to save money, with a view to conserving exchange; and yet this

government will bring in millions of dollars' worth of vegetable oils that might be produced out of surplus wheat.

What Canada needs is some constructive policy with regard to agriculture instead of the most destructive type of policy one could well imagine. The policy at present before us not only will result in a reduction of wheat acreage but will encourage reduction in many other lines. I say again, the government might well reconsider this fantastic type of policy. As a member from Ontario, I am prepared to support the government if they bring down a bill for $100,000,000, even for western Canada, and have the older provinces carry on as they are, provided it is a constructive bill. I would suggest that the two foster parents of this strange, imbecile child should study the matter again and bring in something else. I do not know where they got their advice, but this afternoon the hon. member for Portage la Prairie said they did not get it from their own members and that they did not get it from the farmers of western Canada.

An hon. MEMBER: How do you know?

Mr. ROWE: The hon. member for Portage la Prairie knows as much about the matter as my hon. friend does.

An hon. MEMBER: But he speaks for only a small part of the west.

Mr. ROWE: He may not speak for the hon. member, but the hon. member cannot speak for him, nor can he speak for me. I say, however, that this matter should be reconsidered and that these two hon. gentlemen should take into their confidence some of the stalwarts in the front row opposite, with all their administrative ability. They might even consult the hard-pressed Minister of Munitions and Supply, or the Minister of Justice, who knows something about agriculture. Get them all together and talk it over with them; see if you cannot get a child that you will all be willing to adopt, rather than one that will be opposed by half your supporters.

Mr. LAPOINTE (Quebec East): Will you be godfather?

Mr. ROWE: I do not know; I am afraid the child would still look like my hon. friend.

In all seriousness, Mr. Chairman, I say this is no solution to the problem. This will only add to the confusion; it will be detrimental to the agricultural interests of the older parts of Canada and a hindrance to the greater development of western Canada. It is destructive and defeatist, instead of being constructive and adhering to the principle in force in these days, when every man should do his duty and produce something. If he cannot produce where he is, a place should be found where he can produce. The relief rolls have been almost eliminated.

Someone may say that the relief rolls were established years ago by the party I supported in this house. But between that government and this one, we have paid a billion dollars in the last ten years in order to give men something for nothing. Unfortunate and terrible as this war may be, with all the young lives that will be lost, it has changed our whole outlook. Before this war is over, we believe, as the Minister of Munitions and Supply said the other day, that every man able to work will have work to do, and our relief rolls will entirely disappear. In the post-war period, let us start from scratch. Then we expect a development in Canada such as no other great country has ever seen, with millions of people coming from war-ridden Europe. Let us have something with which to feed them, and let us have food to send their friends at home. Let us start a constructive policy; let us give men employment in order that they may produce something, and let us stop this policy of the dole.

If we can do that, the wheat problem of Canada will disappear like snow on a spring day. I am not such a defeatist as the Minister of Agriculture. I know he has struggled with this problem; but if we have the development in Canada that many people visualize already, we shall see this country changed from a great agricultural land to what perhaps the Lord intended it to be, with our cold winters—a manufacturing and mining country. There are other interests than agriculture in Canada, and it is high time that this government, and the government that will follow when this government is defeated after the war is over, should discard the old policy under which every man who sought to enter Canada had to be a farmer. Let us bring in artisans, mechanics and other people who will keep abreast of the times and help bring about steady progress, with an equalization of conditions as between the city and the country. In that way we shall develop a home market which eventually will consume almost everything we can grow. We should have thirty million people in Canada. The late Right Hon. Sir Wilfrid Laurier, in his great vision which was, indeed, different from that of the present Minister of Agriculture, visualized the time when this country would have that population. The late Right Hon. Sir John A. Macdonald, who was also well known by the Minister of Justice, believed that in another forty years Canada should have a population

of fifty million. These great men were looking ahead. They were not worrying about whether or not we might have a little surplus of foodstuffs. They had no fear as to our potentialities as a great industrial nation as well as a wheat growing country, a great producer of live stock as well as of flour.

I thank you, Mr. Chairman, and the committee for having listened so attentively. In all seriousness, and not in a political sense at all, I say this government should stop, look and listen. Look at the signs of the times and ask yourselves again if you think it is wise to provide an amount of $35,000,000 which amount may be increased to $100,000,000, in order to pay people for doing nothing, while this empire is pleading with us to fill up the bread-basket and be ready to receive those hungry people who will be anxious to come here after the war.

Mr. GARDINER: Before moving that the committee rise and report progress, Mr. Chairman, I should like to say a word in reply to the latter part of the remarks of the hon. gentleman who has just spoken, which were in elaboration of statements made earlier in the hon. gentleman's speech. There is no one on this side of the house, least of all the Minister of Trade and Commerce, or the Minister of Agriculture, who believes that this policy is putting anything into the pockets of the people of western Canada. When the hon. member makes a plea to the effect that someone in Canada should give up something in order that those engaged in fighting the war might have more with which to fight, I think he might choose a much better subject than the one on which he has been speaking for the last half hour. The farmers of western Canada know that this policy is not putting money into their pockets, whether the money comes from the treasury of Canada or from any other source. They know that this policy is taking money out of their pockets and making it possible for this dominion to finance the war to the extent of at least $100,000,000 more than would be the case if the government did for the wheat growers of the west what they are doing for most of the other people of Canada.

We are not begging for the west. We are not asking members from any part of this country to put money into the pockets of the western wheat growers. The wheat producer of the west is denied the right to sell his wheat to Japan, Russia, Spain and many other countries with which we are not at war, in order to assist Britain in carrying out the blockade which, if it were not carried out, would result in the destruction of the empire and of democracy. That being so, we do not feel that we are asking this house for money to be distributed among the people of western Canada. We are asking the people of this country—and we believe we have the support of at least ninety per cent of them—to help the farmers over one of the most difficult years they have ever experienced; and, in helping them, to lessen the need for the government to pay storage on large quantities of wheat. I quite agree with what was said the other day by the hon. member for Moose Jaw. This is the cheapest method of storing wheat that can be evolved. Under this method, moisture is stored in the ground, making it unnecessary to protect grain against mites and other kinds of damage; making it unnecessary to build storage facilities in order to keep the grain, and making certain that wheat can be grown when wheat is needed.

On this occasion, as on previous occasions, we in western Canada are not begging. With regard, however, to the hon. member who has just resumed his seat, I should like to say that during the six sessions I have been in this parliament I have never known him to support anything this government has proposed for western Canada. He is always prepared to do something else; never the thing that is proposed. He is prepared to spend $100,000,000 to help the farmers of western Canada, but he has never suggested how he would like to spend that amount. He has only said that the way we were proposing to spend money was not the correct way, that he would like to have it done by some other method.

There is not time to say more this evening. In due course I shall deal with the remarks that have been made concerning the Prairie Farm Assistance Act and other criticisms which have been made. I shall, however, select another day, when there is sufficient time to deal with those matters.

Progress reported.

BUSINESS OF THE HOUSE

Mr. HANSON (York-Sunbury): What is the business on Monday?

Mr. LAPOINTE (Quebec East): I understand there is an agreement that this debate will proceed on Monday.

Mr. HANSON (York-Sunbury): I do not know of any agreement; the right hon. gentleman had better state his programme.

Mr. LAPOINTE (Quebec East): If not, we shall go into supply, and of course the motion of the hon. member for Haldimand (Mr. Senn) will be taken up. There seems, however, to be a feeling that this debate should continue, and we are absolutely in agreement with that.

Mr. HANSON (York-Sunbury): That suggestion was made.

On motion of Mr. Lapointe (Quebec East) the house adjourned at 6.05 p.m.

END OF VOLUME II